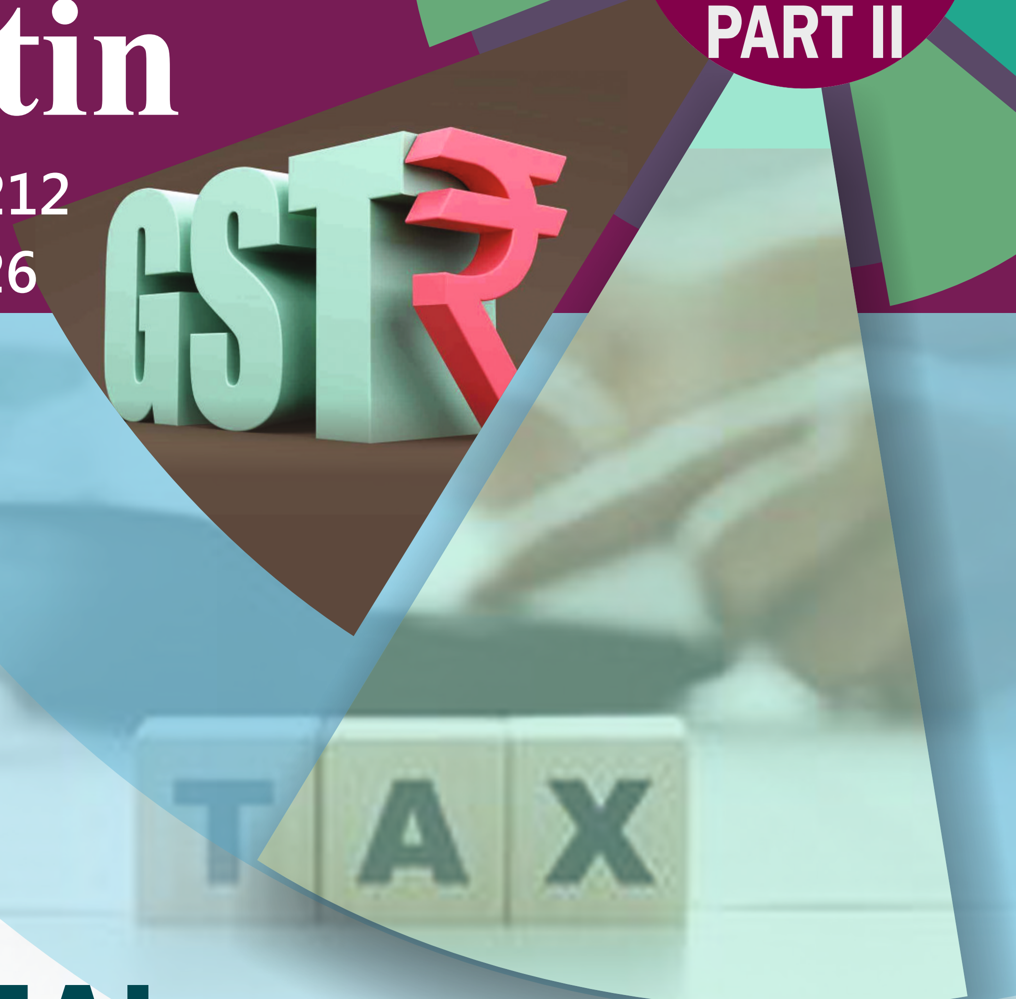
iCMA

July, 2026

TAX Bulletin

Volume - 212
17.07.2026

GST
Special Edition
PART II



ICMAI
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
भारतीय लागत लेखाकार संस्थान

Statutory Body under an Act of Parliament
(Under the Jurisdiction of Ministry of Corporate Affairs)

Headquarters: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003. Ph: 091-11-24666100
Kolkata Office: CMA Bhawan, 12, Sudder Street, Kolkata - 700016. Ph: 091-33-2252 1031/34/35/1602/1492

VISION STATEMENT

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

MISSION STATEMENT

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

Objectives of Taxation Committees:

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders and also Crash Courses on GST for Colleges and Universities.

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7. Certificate Course on International Trade (CCIT)

Admission Link - ***https://eicmai.in/advscc/DelegatesApplicationForm-new.aspx***

Modalities

Description	Course Name						
	CCGST	ACCGST	ACGAA	CCTDS	CCFOF	ACIAA	CCIT
Hours	72	40	30	30	30	30	50
Mode of Class	Offline/ Online	Online					
Course Fee* (₹)	10,000	14,000	12,000	10,000	10,000	12,000	10,000
Exam Fee* (₹)	1,000 per attempt						
Discounts	20% Discount for CMA Members, CMA Qualified and CMA Final Pursuing Students						

***18% GST is applicable on both Course fee and Exam fee*

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Course Details

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- M.Com/ MBA pursuing or completed

Modalities

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	GST Course	Income Tax
Batch Size	Minimum 50 Students per Batch per course	
Course Fee* (₹)	1,000	1,500
Exam Fee* (₹)	200	500
Duration (Hrs)	32	32

For enquiry about courses, mail at: ***trd@icmai.in***

**18% GST is applicable on both Course fee and Exam fee*

Behind every successful business decision, there is always a CMA

Chairman's Message

CMA Rajendra Singh Bhati

Chairman Direct Taxation Committee

The Direct Tax framework in India continues to witness a significant phase of transition with the implementation of the Income-tax Act, 2025, which seeks to simplify tax provisions, improve procedural efficiency, and strengthen voluntary compliance. As the tax ecosystem evolves, it becomes increasingly important for taxpayers and professionals to remain abreast of the latest legislative changes, regulatory updates, and statutory timelines.

The month of July marks one of the most crucial compliance periods in the direct tax calendar. Taxpayers, tax professionals, deductors, and reporting entities are required to ensure timely filing of various statutory statements, including quarterly TDS/TCS returns, challan-cum-statements, compliances relating to Virtual Digital Assets, and the quarterly statement in Form No. 138 for tax deducted from salaries and specified senior citizens. In addition, July also witnesses the due date for filing the return of income for eligible taxpayers for Assessment Year 2026–27, making timely and accurate compliance imperative.

Recognising the practical challenges faced by charitable institutions, the Central Board of Direct Taxes has issued Circular No. 6/2026, condoning the delay in filing Form No. 10AB for renewal of approval under Section 80G(5) in specified cases. This taxpayer-friendly measure reflects the Government's commitment to mitigating genuine hardship while ensuring continuity of tax benefits for eligible institutions. Further, a number of important notifications issued during the month under the Income-tax Act, 2025 have provided procedural clarity on TDS provisions, exemptions, approvals, and compliances relating to International Financial Services Centre (IFSC) units and other notified entities, thereby strengthening the evolving direct tax framework.

A robust tax system thrives on timely compliance, transparency, and informed participation. As professionals, we play a pivotal role in facilitating smooth implementation of the law while guiding taxpayers through the evolving regulatory landscape. I encourage all members to carefully monitor the statutory due dates, keep themselves updated with the latest notifications and circulars, and continue contributing towards a transparent, efficient, and taxpayer-friendly tax administration.

As part of its continuous professional outreach initiatives, the Tax Research Department of The Institute of Cost Accountants of India (ICMAI) organized the "Tax Returns 2026 Series - Mastering Income Tax Returns 2026" with the objective of providing members and tax professionals with practical insights into the preparation and filing of Income Tax Returns under the Income-tax Act, 2025. The series aims to simplify return filing by covering the applicability, reporting requirements, recent amendments, and practical issues relating to different ITR forms through expert-led sessions.

The series commenced with a webinar on "Mastering Income Tax Returns 2026: ITR-1 & ITR-2" held on 10th

July 2026, delivered by Shri Vikash Mundhra, Tax Advisor. The session focused on the applicability of ITR-1 and ITR-2, reporting of various heads of income, deductions, capital gains, and common compliance issues, enabling participants to gain a strong foundation in return filing.

The second webinar on "Mastering Income Tax Returns 2026: ITR-3" was conducted on 14th July 2026, with Shri Vikash Mundhra as the faculty. The session provided practical guidance on filing ITR-3, covering business and professional income, presumptive taxation, depreciation, disclosures, and other important compliance aspects relevant to taxpayers carrying on business or profession.

The third webinar on "Mastering Income Tax Returns 2026: ITR-4" was organised on 17th July 2026, with CMA Ajith Sivadas, Cost Accountant, as the faculty. The session elaborated on the provisions relating to presumptive taxation under Sections 44AD, 44ADA, and 44AE, eligibility criteria, reporting requirements, and practical issues involved in filing ITR-4, helping participants develop a comprehensive understanding of the return form.

CMA Rajendra Singh Bhati

Chairman – Direct Taxation Committee

The Institute of Cost Accountants of India

17.07.2026

Chairman's Message

CMA Dr. Ashish P. Thatte

Chairman Indirect Taxation Committee

The indirect tax ecosystem in India continues to progress with a strong focus on trade facilitation, digital transformation, and simplification of compliance procedures. The Government's ongoing policy initiatives and regulatory reforms reflect its commitment to creating a transparent, technology-driven, and business-friendly tax environment that promotes ease of doing business while ensuring effective tax administration.

During the month, the Central Board of Indirect Taxes and Customs (CBIC) introduced several significant measures aimed at enhancing procedural efficiency and providing greater clarity to taxpayers and trade. Key developments include the introduction of a standardized Deficiency Memo for drawback claims under Section 74 of the Customs Act, clarification on granting drawback and refund through re-credit of Duty Credit Scrips, and the discontinuation of manual documentation for monitoring duty-free imported containers by leveraging digital systems and process automation.

Another noteworthy development was the implementation of the India–United Kingdom Comprehensive Economic and Trade Agreement (India–UK CETA) with effect from 15th July 2026, introducing a self-certification framework for Origin Declarations and enabling preferential tariff treatment under the Agreement. These initiatives collectively reinforce the Government's commitment to strengthening customs administration, facilitating international trade, and fostering a modern, technology-enabled compliance ecosystem.

In an increasingly dynamic indirect tax regime, it is imperative for tax professionals and industry stakeholders to remain abreast of legislative developments and procedural changes. The Indirect Taxation Committee remains steadfast in its endeavour to empower members through timely dissemination of knowledge, technical guidance, professional outreach programmes, and capacity-building initiatives. Together, let us continue to strengthen our professional competencies and contribute towards a robust, transparent, and globally competitive indirect tax framework.

As part of its continued commitment towards professional outreach and knowledge dissemination, the Tax Research Department organized expert-led webinars under the "Kar Kranti" Series to provide members and tax professionals with practical insights into significant developments in the Goods and Services Tax (GST) regime. The series focuses on addressing emerging issues, legislative developments, and procedural aspects of indirect taxation through interactive technical sessions.

The series featured a webinar on "Navigating GSTAT: Appeal Filing Procedures, Challenges and Practical

Remedies", held on 8th July 2026, with CMA Niranjan Swain, Advocate & Tax Practitioner, as the faculty. The session provided a comprehensive understanding of the appeal filing mechanism before the Goods and Services Tax Appellate Tribunal (GSTAT), including procedural requirements, documentation, statutory timelines, common challenges faced by taxpayers, and practical remedies available under the GST law. The webinar enabled participants to gain valuable insights into effectively navigating GSTAT proceedings and the evolving appellate framework under the GST regime.

Ashish Thatte

CMA (Dr) Ashish P Thatte
Chairman – Indirect Taxation Committee
The Institute of Cost Accountants of India
17.07.2026

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CMA Anil Sharma
CMA Arindam Goswami
CMA Manmohan Daga
CMA Bikash Gupta

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"Articles on the Topics of Direct and Indirect Taxation are invited from readers and authors. Along with the article please share a recent passport-sized photograph, a brief profile and the contact details. The articles should be the author's own original.

Please send the articles to

trd@icmai.in /trd.dd2@icmai.in

GST on Secondment of Employees: Has the Tide Finally Turned?

The Changing Face of GST on Secondment

CMA Vishwanath Bhat
Past Chairman, SIRC of ICMAI | Practicing Cost Accountant

Every large multinational does it. A specialist from the Japanese parent flies in to set up a new plant in India. A finance controller from the US head office is placed with the Indian subsidiary for two years. An engineer from the German group company sits inside the Bengaluru unit to transfer technical know-how. This arrangement, an employee of one group company working, for a defined period, with another group company, is called "secondment."

For years, secondment has quietly triggered one of the most contested questions in Indian indirect tax: when the Indian company pays the seconded employee's salary (often reimbursing it to the foreign company), is that payment merely a salary, outside GST altogether? Or is the foreign company "supplying manpower" to the Indian company, making the payment liable to IGST under reverse charge, sometimes running into tens of crores of rupees per notice?

This question has now travelled from the Supreme Court to at least three High Courts, and the latest word, from the Karnataka High Court in July 2025, is decisively in favour of genuine secondments. This article explains, in plain language, where the law stands today, what the recent rulings actually decided, and what practising members should watch for while advising clients or defending a notice.

Why This Question Even Arises

Under GST, Schedule III to the CGST Act says that "services by an employee to the employer in the course of or in relation to his employment" are neither a supply of goods nor a supply of services, meaning no GST applies to a genuine employment relationship. The entire dispute boils down to one issue of fact: when an expatriate is seconded, who is the real employer for GST purposes, the Indian company that pays the salary, deducts TDS and controls the work, or the foreign company that continues to hold the original employment contract and may top up benefits abroad?

If the Indian company is the real employer, the arrangement falls squarely within the Schedule III exclusion, there is no supply and no GST. If, in substance, the foreign company is merely lending out its staff for a fee, the department treats it as "supply of manpower services," taxable on the Indian company under reverse charge (Notification No. 10/2017-Integrated

Tax (Rate)), with the Indian company required to self-invoice and pay IGST, subject to input tax credit.

Where It All Began: Northern Operating Systems (2022)

The controversy traces back to the Supreme Court's decision in Commissioner of Customs, Central Excise and Service Tax v. Northern Operating Systems Pvt. Ltd. [Civil Appeal Nos. 2289–2293 of 2021, decided on 19 May 2022], a service tax case whose reasoning was quickly imported into GST assessments.

In that case, overseas group companies seconded employees to an Indian BPO. Two facts stood out: the foreign entity retained real control over the seconded staff, and it added a mark-up while recovering costs from the Indian company, rather than a straight, at-cost salary reimbursement. On those specific facts, the Supreme Court held that the foreign company continued to be the real employer and that the arrangement amounted to a taxable "manpower supply" service.

Crucially, the Supreme Court itself clarified that this was a fact-specific finding, not a universal rule for every secondment structure. But field formations across India treated it as a blanket precedent, and a wave of show cause notices followed, several running into tens of crores of rupees and reaching as far back as July 2017.

CBIC Steps In: Circular No. 210/4/2024-GST

Recognising the confusion, the CBIC first issued an internal instruction in December 2023 asking officers not to apply Northern Operating Systems mechanically. It then issued Circular No. 210/4/2024-GST dated 26 June 2024, following the 53rd GST Council meeting, which gave practical relief in the most common fact pattern.

Paragraph 3.7 of the circular clarifies that where a domestic company is eligible for full input tax credit, and the foreign affiliate does not issue a separate invoice for the seconded employees' salary cost, the value of that supply can be treated as "Nil" and deemed to be the open market value, under the second proviso to Rule 28(1) of the CGST Rules, 2017. In practical terms: an Indian company that reimburses only the actual salary cost, with no service fee or profit mark-up, and receives no invoice for it, is generally protected from GST under this deeming fiction, even if the arrangement is technically treated as a supply. This single clarification has become the foundation for most of the relief that followed in the courts, and it is also the feature that most clearly distinguishes today's typical secondment structures from the mark-up-laden arrangement in Northern Operating Systems.

The High Court's Weigh In

Delhi High Court — Metal One Corporation India / Sony India [W.P.(C) 14945/2023, decided 22 October 2024]

Sony India and Metal One Corporation India had received show cause notices demanding IGST of over ₹. 1.94 crore on salaries paid to employees seconded from their overseas parent companies. Relying on Circular 210/4/2024-GST, the Delhi High Court held that since no invoice was raised for the secondment and the companies were entitled to full ITC, the value of the supply had to be treated as Nil. The Court quashed the show cause notices and absolved the companies of GST, interest and penalty. In a related development reported in August 2025, the Delhi High Court went further still and directed the refund of GST that had already been deposited on secondment arrangements in an earlier, similar matter.

Karnataka High Court — Alstom Transport India Ltd [WP No. 1779 of 2025, decided 15 July 2025]

This is the most significant ruling so far, both for its reasoning and for the sums involved. The GST department had issued a show cause notice demanding ₹. 57.94 crore, along with interest and penalty, treating expatriates seconded to Alstom India between July 2017 and March 2023 as "imported manpower services" liable to IGST under reverse charge.

The Karnataka High Court quashed the entire demand, resting its decision on three planks. First, on facts: the seconded employees worked under Alstom India's exclusive administrative and functional control, were paid directly by Alstom India after TDS deduction, and received statutory benefits under Indian labour law. This, the Court held, established a genuine employer-employee relationship, bringing the arrangement squarely within the Schedule III exclusion and outside the scope of "supply" altogether. Second, and in the alternative: even if the arrangement were treated as a supply, Circular 210/4/2024-GST's Nil-valuation rule under Rule 28(1) applied, since no invoice had been raised and full ITC was available, so no tax liability could arise in any event. Third, on precedent: the Court held that Northern Operating Systems cannot be applied as a universal rule and must be distinguished on facts, particularly the questions of who controlled the seconded employees and whether costs were recovered with a mark-up.

The Court also aligned itself with the Delhi High Court's reasoning in Metal One Corporation, reinforcing that CBIC circulars are binding on the department and cannot be brushed aside while raising a demand.

"An employer–employee relationship, established by an employment contract, does not transform into a taxable supply of service under GST merely on account of the employee being a foreign national working in India."

A note of caution for members, however: commentary from EY's tax alert on this ruling points out that the Karnataka High Court did not, in as much detail as one might expect, distinguish the present facts from those in Northern Operating Systems, and that the judgment leaves open the question of how far the Nil-valuation logic extends where part of the cost (for instance, social security contributions reimbursed abroad) is separately subjected to GST under reverse charge. In other words, the direction of travel is clearly favourable, but every secondment file still needs to be tested on its own facts rather than assumed to be automatically covered.

Punjab & Haryana High Court [May 2026] — A Reminder That Facts Still Decide

The most recent development reinforces that the relief is not automatic. The Punjab and Haryana High Court set aside the department's original order in an expatriate secondment dispute, but not because secondment is per se non-taxable. The Court found the department's order to be a "bald and non-speaking order" that had merely reproduced contract clauses without real analysis, and remanded the matter for fresh adjudication. It reiterated that Northern Operating Systems cannot be mechanically applied to every structure, and, by the same logic, neither can the taxpayer-favourable rulings be assumed to apply without a proper facts-based analysis of control, payroll and salary arrangements.

A Related Relief: The Section 128A Amnesty

Alongside the case law, the GST Council offered a separate, one-time cushion for older disputes of exactly this kind. Section 128A of the CGST Act allowed conditional waiver of interest and penalty on demands raised under Section 73 for tax periods July 2017 to March 2020 (FY 2017-18 to FY 2019-20), provided the underlying tax was paid by 31 March 2025. For members whose clients faced secondment-related notices covering this period, and who chose to pay up rather than litigate, this scheme would have significantly reduced the overall cost of an old dispute even where the core taxability question remained contested. As the deadline has now passed, this window is closed, but it remains relevant while advising clients on how earlier secondment-related liabilities for FY 2017-20 were, or could have been, settled.

The Story So Far, at a Glance

Development	Forum & Date	Key Takeaway
Northern Operating Systems	Supreme Court, 19 May 2022	Held taxable on its facts: foreign entity retained control and added a mark-up while recovering costs.
CBIC Instruction	December 2023	Officers told not to apply NOS mechanically to every secondment.
Circular 210/4/2024-GST	26 June 2024	Para 3.7: value is Nil where full ITC is available and no invoice is raised.

Development	Forum & Date	Key Takeaway
Metal One / Sony India	Delhi HC, 22 Oct 2024	SCNs quashed; Nil valuation applied; GST already paid later ordered refunded.
Alstom Transport India	Karnataka HC, 15 Jul 2025	₹. 57.94 crore IGST demand quashed; genuine employer-employee relationship found.
Section 128A Amnesty	Deadline 31 Mar 2025	Interest/penalty waived for FY 2017-18 to 2019-20 demands if tax paid by deadline.
Expatriate secondment case	Punjab & Haryana HC, May 2026	Non-speaking order set aside and remanded; facts still decisive, no blanket rule.

What This Means for Members in Practice

Taken together, the direction of travel is strongly favourable for genuine secondments, but the position is not a blanket exemption. When advising a client on a secondment structure, or defending an existing show cause notice, members should build the file around the following:

- The secondment agreement and the expatriate's employment contract, do they show the Indian entity as the real employer during the secondment period?
- Who exercises day-to-day control and supervision over the seconded employee's work, the Indian company or the foreign parent?
- Is salary paid directly by the Indian company, with TDS deducted under Section 192 of the Income-tax Act, and are Indian statutory benefits (PF, gratuity, leave) extended to the employee?
- Is the amount reimbursed to the foreign company restricted to actual salary cost, with no service fee or mark-up, and is any separate invoice raised, this is the single fact that most clearly distinguishes a case from Northern Operating Systems?
- Is the Indian entity eligible for full input tax credit, so that Circular 210/4/2024-GST's Nil-valuation route under paragraph 3.7 is available as a fallback even if a "supply" is alleged?
- Are any components, such as social security or retirement contributions retained abroad, being separately reimbursed in a way that could attract reverse charge even if the core salary is protected?
- Is the documentation contemporaneous, consistent, and capable of standing up to scrutiny, rather than being reconstructed only after a notice is received?
- For legacy notices covering FY 2017-18 to 2019-20, was the Section 128A amnesty availed of before the 31 March 2025 deadline, or does the dispute need to be pursued on merits?

Conclusion

GST on secondment has travelled a long road: from a strict reading of Northern Operating Systems, to a CBIC circular offering practical relief, to High Courts in Delhi and Karnataka going further and recognising genuine secondments as outside the scope of "supply" altogether. The Karnataka High Court's quashing of a ₹. 57.94 crore demand against Alstom Transport India is, so far, the clearest and most detailed taxpayer-favourable ruling on this issue. The Punjab and Haryana High Court's recent order, and EY's own note of caution on how thinly the Karnataka High Court distinguished Northern Operating Systems, are useful reminders that this is still being decided case by case, and that sloppy departmental orders will not survive judicial review, but neither will sloppy documentation on the taxpayer's side.

For our members, the practical takeaway is clear: secondment structures set up today should be documented as if a show cause notice is inevitable. Control, payroll, TDS, statutory benefits, the absence of a mark-up, and the absence of a service invoice are no longer just commercial details, they are the evidence that will decide whether GST applies at all. Given that litigation is still active across High Courts, and the matter could well return to the Supreme Court on a fuller bench, this is a space every practising member should continue to track closely and advise clients on proactively, rather than only at the notice stage.

GSTAT E-Filing Portal: Initial Experience, Appreciable Features and Areas for Further Refinement

CMA Bikash Gupta
Indirect Tax Consultant (Ex-PWC)

Introduction

The operationalisation of the GST Appellate Tribunal (GSTAT) and the launch of its e-filing portal mark an important step towards a fully digital appellate framework under GST. The portal reflects a constructive effort to simplify appellate filing, integrate taxpayer data and facilitate paperless litigation. Based on the initial experience of filing appeals, this article highlights the appreciable features of the portal and identifies certain practical areas where further refinement may enhance user experience, consistency and certainty.

As with every newly introduced digital platform, certain practical issues are expected to arise during the initial phase of implementation. These are natural teething problems which accompany any technology-driven initiative and are generally resolved through continuous stakeholder feedback.

Appreciable Features of the GSTAT Portal

The GSTAT portal incorporates several commendable features that reflect a thoughtful approach towards digitising the appellate process. Some of these noteworthy aspects are discussed below.

1. **Complete Digitalisation of the Appeal Filing Process:** The introduction of a completely digital filing mechanism is perhaps the most significant feature of the GSTAT portal. The facility enables electronic filing of appeals, generation of acknowledgements and online maintenance of records, thereby promoting transparency, accessibility and uniformity in appellate proceedings across the country.

2. **Facility to File Appeals Against Manual Orders:** A noteworthy feature of the portal is that it permits filing of appeals even where the impugned order has been issued manually and system-generated references such as ARN or CRN are unavailable. This ensures that procedural limitations do not come in the way of exercising the statutory right of appeal, particularly in cases relating to the initial years of GST implementation.

3. **Responsive Helpdesk and Facilitation Centres:** The support extended through the GSTAT helpdesk deserves appreciation. During the initial phase of implementation, the helpdesk has been prompt in responding to technical queries and providing practical guidance. The establishment of facilitation centres across different States has further strengthened the support mechanism and made the transition to the new portal considerably smoother.

4. **Integration with the GST Portal:** The integration of the GSTAT portal with the GST Portal reflects the considerable technological effort undertaken while developing the platform. The ability to fetch and link taxpayer details, demand particulars and payment information has significantly reduced manual intervention and laid the foundation for a seamless digital appellate process.

5. **Registration of Authorised Representatives:** The facility enabling Chartered Accountants, Cost Accountants, Advocates and other authorised representatives to register on the portal is another welcome initiative. Upon successful filing of an appeal, the case automatically gets linked to the dashboard of the concerned authorised representative, enabling professionals to maintain a consolidated record of pending matters and facilitating better litigation management.

6. **Ease of filing and Liberal Approach During the Initial Roll-Out:** It is also encouraging to note that during the initial roll-out of the portal, practical difficulties faced by taxpayers and professionals have generally been addressed in a facilitative manner.

   Recognising that users are gradually becoming familiar with the portal, the Registry and helpdesk have adopted a lenient approach until 31st December 2026, wherever genuine technical issues have arisen. Such an approach greatly contributes towards building confidence among stakeholders during the early stages of implementation.

Practical Challenges and Scope for Further Refinement:

While the overall experience has been encouraging, certain practical issues have been encountered during the initial phase of filing appeals. These are discussed below as constructive suggestions for further strengthening the portal.

1. **Requirement of Non-Essential Information:** The portal presently requires details such as the Company Identification Number (CIN) and date of incorporation while filing an appeal. Since these particulars generally have no bearing on the issues involved in the appeal or its maintainability, their mandatory disclosure appears to create an additional compliance burden and scope of inadvertent error. Such details may either be dispensed with or, if considered necessary for administrative purposes, be auto populated from existing Government databases.

2. **Ambiguity in Certain Mandatory Fields:** Certain mandatory fields in the portal require greater clarity. Under the Case Summary tab, the distinction between the fields "As per stand of appellant before Tribunal" and "As declared/ claimed by present Appellant" is not readily apparent, resulting in varying interpretations by users.

   Similarly, the mandatory "Issue Related To" field contains limited categories, compelling appellants to select the nearest available option even where none appropriately describes the dispute.

   Further, while selecting the Category of Case under Dispute, the portal requires selection of both the relevant Section and corresponding Rule. However, in many cases, the show cause notice or adjudication order refers only to the Section without specifying any Rule, creating uncertainty while completing the form. Providing suitable guidance, an "Others" option and a "Rule Not Specified" option would improve consistency in filings.

3. **Verification in Form GST APL-05:** The verification appearing in Form GST APL-05 presently reflects the name of the Company/ Appellant and auto-populates the designation as "Director", "Chairman" or similar designations. In practice, however, appeals are often verified by a Chief Financial Officer, Company Secretary, General Manager (Taxation) or any other duly authorised signatory. Allowing editable fields for the name and designation of the authorised signatory would better align the portal with prevailing corporate practices.

4. **Practical Issues Relating to Pre-deposit:** Although the portal has been integrated with the GST Portal for fetching pre-deposit details, certain practical issues have been noticed. In some cases, the statutory pre-deposit already made is not reflected on the GSTAT portal. A further issue arises where an appeal is saved as a draft before making the pre-deposit through the GST Portal. Even after payment is made, the updated details are not always fetched, resulting in the pre-deposit continuing to appear as "Nil". It has also been observed that, in certain instances, once the demand details are saved, the portal does not permit the user to revisit the demand tab and instead directly proceeds to payment of the appeal filing fee.

5. **Lack of Clarity Regarding Generation of Form GST APL-02A Part B (Final Acknowledgement):** Upon successful filing of an appeal, the portal immediately generates Form GST APL-02A Part A (Provisional Acknowledgement). However, there is presently no clarity regarding the process or timeline for issuance of Form GST APL-02A Part B (Final Acknowledgement), the manner in which defects, if any, would be communicated or the stage at which the appeal would be considered finally registered. A dedicated Appeal Processing Status Tracker together with a Standard Operating Procedure explaining the post-filing process would provide greater certainty to taxpayers and professionals.

6. **Court Fee Computation:** Another aspect where greater transparency would be beneficial relates to the computation of court fees. In certain cases, the amount reflected by the portal does not appear to correspond with the applicable Rules, requiring clarification from the helpdesk. Displaying the basis of computation along with the amount payable would make the process more transparent and reduce avoidable queries.

The Way Forward

The GSTAT portal is undoubtedly a significant step towards modernising the appellate process under the GST regime. The successful development of a digital platform integrating taxpayer records, appeal management and payment information reflects the considerable effort undertaken by the Government to build a technology-driven dispute resolution system.

The practical observations discussed above are intended only as constructive suggestions arising from the initial experience of filing appeals. Most of these are natural refinements that accompany the implementation of any new digital platform and can be addressed through periodic system enhancements and stakeholder feedback.

The GST ecosystem has consistently evolved through collaborative engagement between the Government and the professional fraternity. It is hoped that the GSTAT portal will follow a similar path of continuous improvement and, in due course, emerge as a benchmark for digital appellate administration, making the filing process simpler, more efficient and more user-friendly for taxpayers, professionals and the Tribunal alike.

Can the Limitation Act Rescue Delayed Filing of Appeals and Filing of Memorandum of Cross-Objection to Revenue Appeal? [*]

CMA Niranjan Swain
Advocate & Tax Consultant

Difficulties in Filing Appeals before the GSTAT and the Recent Extension – Notification dated 30.06.2026

For nearly eight years after GST was introduced on 1 July 2017, the second appellate forum contemplated under Section 109 – the GST Appellate Tribunal ("GSTAT") – remained non-functional, leaving taxpayers with no statutory forum beyond the First Appellate Authority and forcing many to fall back on writ jurisdiction under Article 226. With the Principal Bench and 31 State Benches now notified and the President in office, the Government has moved to activate limitation for the resulting backlog through the notifications summarised below; the compressed, portal-dependent filing window has itself generated fresh litigation on delay and condonation.

Instrument	Date	Effect
Notification S.O. 4219(E)/4220(E) (F. No. A-50/7/2025-GSTAT-DoR), issued u/s 112(1), on GST Council's 56th meeting recommendation	17.09.2025	Notified 30.06.2026 as the outer date for filing backlog GSTAT appeals (orders communicated before 01.04.2026). For later orders, the ordinary 3-month period under Sec. 112(1) applies.
GSTAT (Procedure) Rules, 2025 – scrutiny/filing relaxation instructions	Extended up to 31.12.2026	Relaxes procedural scrutiny and defect-rectification only – does NOT extend the substantive limitation period.
Ministry of Finance Notification u/s 112(1) r/w 112(3)	30.06.2026	Extended the backlog filing deadline by one month, from 30.06.2026 to 31.07.2026, citing portal congestion (~30,000 appeals filed in the last 15 days; daily peak of ~5,500).

The last-mile rush toward the 30 June 2026 deadline – roughly 30,000 appeals filed in the final fifteen days, with daily filings peaking near 5,500 – placed visible strain on the GSTAT e-filing portal (pre-deposit validation, DSC / Aadhaar authentication, document upload and payment-gateway synchronisation), prompting the one-month extension to 31 July 2026 noted above. The extension of the filing deadline must not be confused with the separate, later scrutiny-relaxation window: the former alone governs the substantive limitation for filing the appeal. This combination – a historic non-functioning Tribunal, a compressed backlog window, and recurring litigation on whether delay beyond the statutory condonable period can be rescued by the general law of limitation – is the subject of this write-up.

Statutory Framework – Filing of Appeals before the Appellate Authority, GSTAT, High Court and Supreme Court

Chapter XVIII (Sections 107 to 121) of the CGST Act, 2017 lays down a four-tier appellate hierarchy – the First Appellate Authority, the GSTAT, the jurisdictional High Court, and the Supreme Court – each with its own limitation period, condonable extension and (where prescribed) an absolute outer limit. The key parameters are summarised below:

Forum	Section	Standard Period	Condonable Extension	Outer Limit	Pre-deposit
First Appellate Authority (Form APL-01)	Sec. 107(1)/(4)	3 months	1 month, sufficient cause	4 months	10% of disputed tax
GSTAT – Appeal (Form APL-05)	Sec. 112(1)/(6)	3 months	3 months, sufficient cause	6 months	10% of disputed tax (+ admitted amount)
GSTAT – Cross-objection (Form APL-06)	Sec. 112(5)/(6)	45 days	45 days, sufficient cause	90 days	None
High Court	Sec. 117	180 days	No statutory cap; HC's discretion	Open-ended	N/A
Supreme Court	Sec. 118	As per CPC, 1908	As per CPC / Limitation Act	As per CPC	N/A

Memorandum of Cross-Objection – Section 112(5)

Where the order of the First Appellate Authority is a "mixed" order – partly favourable to the taxpayer, partly to the Revenue – and only one side (often the Revenue) appeals to the GSTAT, Section 112(5) allows the respondent to file a memorandum of cross-objections (Form APL-06) within 45 days of notice, without having filed an independent appeal and without any separate pre-deposit. It is disposed of as though it were an appeal filed in time. Section 112(6) permits a further 45-day condonation (aggregating 90 days), but – as with the appeal itself – **the statute provides no mechanism to condone delay thereafter, making the interplay with the Limitation Act, 1963 (discussed in Parts V–VI) directly relevant to a respondent-taxpayer's ability to preserve issues it did not itself choose to litigate.**

Communication of the order – which triggers limitation at every stage – is governed by Section 169 and may be effected by portal upload, registered email, personal service, or affixation / publication; courts have treated the earliest effective mode, typically portal upload, as the operative date even where a later mode reaches the assessee subsequently.

Comparative Timeline – GST Law vis-à-vis Pre-GST Indirect Tax Laws

The GST framework is markedly more rigid than the erstwhile indirect tax regime at the first two appellate stages, while the High Court and Supreme Court stages retain closer parity with the general law:

Forum / Law	Standard Period	Condonable Extension	Outer Limit	Sec. 5 Limitation Act
GST – First Appeal (Sec. 107, CGST Act)	3 months	1 month (sufficient cause)	4 months	Excluded (per most HCs)
GST – GSTAT (Sec. 112, CGST Act)	3 months	3 months (sufficient cause)	6 months	Excluded (self-contained code)
GST – Cross-objection before GSTAT (Sec. 112(5)/(6))	45 days	45 days (sufficient cause)	90 days	Excluded
GST – High Court (Sec. 117, CGST Act)	180 days	No statutory upper cap; HC discretion	Open-ended, subject to HC satisfaction	Not squarely excluded
GST – Supreme Court (Sec. 118, CGST Act)	CPC timelines apply	As per CPC, 1908	As per CPC	CPC / Limitation Act applies
Pre-GST – Central Excise (Sec. 35, unamended) / Service Tax	3 months (Commissioner Appeals)	3 months	6 months	Excluded – Singh Enterprises, Hongo India
Pre-GST – Customs Act (Sec. 128)	60 days	30 days	90 days	Excluded
Pre-GST – State VAT / CST laws (illustrative)	30–60 days (varies by State)	Varied; several State VAT statutes silent on outer cap	Often left to "sufficient cause", no rigid ceiling	Applied in several States – e.g. HP VAT, Dehar Power House (2019)

The Present Controversy – Acceptance of Appeals Filed Beyond the Statutory Outer Limit

Sections 107(4) and 112(6) each prescribe a fixed, single condonable extension and are silent thereafter. Once that period lapses, does the appellate authority/GSTAT become functus officio, or can the taxpayer still invoke Section 5 of the Limitation Act – directly (via Section 29(2), absent express exclusion), or indirectly through a writ under Article 226? High Courts have answered divergently, producing a genuine and continuing controversy now pending resolution before the Supreme Court in more than one Special Leave Petition. The table below collates the principal decisions on both strands.

Decisions Favouring Condonation / Applicability of the Limitation Act

Case	Court / Citation	Essence of the Ruling
S.K. Chakraborty & Sons v. Union of India	Calcutta HC, 2023 (12) TMI 290 (SLP pending, stayed by SC – Diary No. 28069/2024)	Sec. 107 does not expressly/impliedly exclude Sec. 5 of the Limitation Act; delay beyond 4 months held condonable.

Case	Court / Citation	Essence of the Ruling
Arvind Gupta v. Assistant Commissioner of Revenue State Taxes	Calcutta HC, WPA/2904/2023	Following S.K. Chakraborty, condoned delay beyond the 120-day outer limit under Article 226.
Partha Pratim Dasgupta v. Joint Commissioner of State Tax	Calcutta HC, 2024 (6) TMI 666	Condoned a 66-day delay beyond the condonable period; portal-upload date treated as date of communication.
Millenium Cement Company (P) Ltd. v. Superintendent, CGST	Calcutta HC, 2024 (6) TMI 549	Recomputed the delay after excluding the statutory 90-day period and condoned the balance, relying on S.K. Chakraborty.
Mukul Islam v. Assistant Commissioner of Revenue	Calcutta HC, WP 917 of 2024	Condoned delay; held Sec. 5 stands attracted as GST law does not specifically exclude the Limitation Act.
ITC Ltd. v. Union of India	Supreme Court, (1998) 8 SCC 610	Permitted a belated appeal (Central Excise) in equity where Revenue did not oppose limitation; writ route accepted in special facts.
Vasudeva Engineering v. Union of India	Punjab & Haryana HC, [2024] 169 taxmann.com 155 (SLP pending – SC Diary/SLP(C) 14673/2025)	Writ jurisdiction under Art. 226 held available to direct hearing of a delayed appeal even after the Sec. 107(4) outer limit expired.
Pawan Fabrics v. Commissioner, CGST	Punjab & Haryana HC, [2025] 171 taxmann.com 277	Followed Vasudeva Engineering; condoned delay beyond 120 days.
Sathya Furnitures v. Assistant Commissioner (ST)	Madras HC, W.P. No. 10598 of 2023	Small trader permitted to pursue appeal beyond 120 days on facts, subject to pre-deposit compliance.
TVL. Deepa Traders v. Deputy Commissioner (ST)	Madras HC, 2025 (3) TMI 1388	Condoned a 285-day delay; reasonable cause shown outweighed procedural technicality.
Shaik Abdul Azeez v. State of A.P.	Andhra Pradesh HC, [2024] 159 taxmann.com 481	Condoned delay beyond 120 days with costs, holding the appellate remedy to be a valuable statutory right.
Superintending Engineer, Dehar Power House Circle v. Excise & Taxation Officer	Supreme Court, 2019 LawSuit (SC) 1799 (HP VAT Act)	No express exclusion of the Limitation Act in the HP VAT Act; delay condoned; Hongo India distinguished as scheme-specific.

Decisions Holding the Bar to be Absolute – No Relief, including under Writ Jurisdiction

Case	Court / Citation	Essence of the Ruling
Singh Enterprises v. Commissioner of Central Excise, Jamshedpur	Supreme Court, (2008) 3 SCC 70	Where a special statute prescribes both the period and the maximum condonable extension, Sec. 5 of the Limitation Act stands excluded by necessary implication.

Case	Court / Citation	Essence of the Ruling
Commissioner of Customs & Central Excise v. Hongo India (P) Ltd.	Supreme Court, (2009) 5 SCC 791	Central Excise Act held a complete code on limitation; High Court has no power to condone delay beyond the prescribed outer period.
ONGC Ltd. v. Gujarat Energy Transmission Corporation Ltd.	Supreme Court, [2017] 5 SCC 42	Even Article 142 cannot be invoked to condone delay beyond a statutorily fixed outer limit under a special enactment.
Assistant Commissioner (CT) LTU, Kakinada v. Glaxo Smith Kline Consumer Health Care Ltd.	Supreme Court, 2020 (5) TMI 149	High Court cannot, under Art. 226, do what the statutory authority itself is barred from doing once limitation expires.
Addichem Speciality LLP v. Special Commissioner, Deptt. of Trade & Taxes	Delhi HC, [2025] 171 taxmann.com 315	Writ petition seeking condonation beyond Sec. 107 outer limit held not maintainable; special regime excludes general law.
Akshansh Consultancy Services (P) Ltd. v. Deputy Commissioner	Rajasthan HC, [2025] 174 taxmann.com 23	Writ held non-maintainable once both the statutory period and condonable period have lapsed, absent jurisdictional error or breach of natural justice.
Garg Enterprises v. State of U.P.	Allahabad HC, [2024] 159 taxmann.com 748	CGST Act is a self-contained code; Sec. 107 impliedly excludes Sec. 5 of the Limitation Act.
Yadav Steels v. Additional Commissioner	Allahabad HC, WP 975 of 2023	Reiterated exclusion of Sec. 5; appeal filed 66 days beyond limitation rejected.
Venkateswara Rao Kesanakurti v. State of Andhra Pradesh	Andhra Pradesh HC, TS-549-HC(AP)-2024-GST	Following Popular Construction Co. and Singh Enterprises, held Limitation Act inapplicable beyond the additional condonable month.

This fault-line runs even within the same High Court cluster in places: the Calcutta High Court's view in S.K. Chakraborty & Sons stands stayed by the Supreme Court (SLP (C) Diary No. 28069/2024, stay dated 5 August 2024), and the Revenue has appealed the Punjab & Haryana High Court's ruling in Vasudeva Engineering (SLP (C) 14673/2025). Until decided, both lines remain simultaneously "live", and the outcome may still turn on the forum's territorial jurisdiction.

V. Limitation Act, 1963 – Relevant Provisions in Brief

The Limitation Act, 1963 is the general law prescribing periods for suits, appeals and applications. The provisions most relevant to the GST appellate controversy are summarised below:

Section	Title	Summary
Sec. 3	Bar of Limitation	Every suit, appeal or application filed beyond the prescribed period is to be dismissed – even if limitation is not pleaded as a defence – subject to Sections 4 to 24.
Sec. 5	Extension for Sufficient Cause	Permits a delayed appeal/application (other than under Order XXI, CPC) to be admitted on "sufficient cause" – an undefined term construed liberally (illness, legal misadvice, delay in obtaining copies), but more strictly in fiscal/Government matters.
Sec. 12	Exclusion of Time for Obtaining Copies	Excludes, in computing limitation, the time requisite for obtaining a copy of the order appealed against.

Section	Title	Summary
Sec. 14	Bona Fide Proceedings before a Wrong Forum	Excludes time spent diligently and in good faith prosecuting the same matter before a forum that lacked jurisdiction – relied upon to argue that time before an infructuous forum be excluded from GST limitation.
Sec. 29(2)	Savings – Application to Special/Local Laws	The fulcrum of the controversy: Sections 4 to 24 (incl. Sec. 5) apply to a special/local law's own limitation period only to the extent not expressly or impliedly excluded by that law.

Applicability of the Limitation Act under Taxation Laws – Judicial Precedents and the Position under Present Law

The controversy in Part IV turns on Section 29(2) – whether Sections 107(4) and 112(6), by capping the condonable period, impliedly exclude Section 5. Five Supreme Court decisions form the foundation for every subsequent High Court ruling, on both sides of the divide:

Case	Citation	Statute Considered	Holding
Union of India v. Popular Construction Co.	(2001) 8 SCC 470	Arbitration & Conciliation Act, 1996	Words "but not thereafter" held to be an express exclusion of Sec. 5 within the meaning of Sec. 29(2); origin of the "inelastic outer limit" doctrine later extended to fiscal statutes.
Singh Enterprises v. CCE, Jamshedpur	(2008) 3 SCC 70	Central Excise Act, 1944	Where a statute prescribes both the period and a capped condonable extension, Sec. 5 stands excluded by necessary implication.
Commissioner of Customs & Central Excise v. Hongo India (P) Ltd.	(2009) 5 SCC 791	Central Excise Act, 1944	Held a complete code on limitation; High Court has no power to condone delay beyond the prescribed outer period.
ONGC Ltd. v. Gujarat Energy Transmission Corporation Ltd.	[2017] 5 SCC 42	Electricity Act, 2003	Even Article 142 cannot be invoked to condone delay beyond a statutorily fixed outer limit under a special enactment.
Assistant Commissioner (CT) LTU, Kakinada v. Glaxo Smith Kline Consumer Health Care Ltd.	2020 (5) TMI 149 (SC)	A.P. VAT Act, 2005	High Court cannot, under Art. 226, do what the statutory authority itself is barred from doing once limitation expires.

Application to GST – the Restrictive View

A substantial line of High Court authority applies this foundational trilogy directly to Sections 107/112, holding the CGST Act to be a self-contained code that impliedly excludes Section 5, and treating a writ seeking condonation beyond the outer limit as not maintainable absent a jurisdictional defect or breach of natural justice:

Case	Court / Citation	Holding
Garg Enterprises v. State of U.P.	Allahabad HC, [2024] 159 taxmann.com 748	CGST Act is a self-contained code; Sec. 107 impliedly excludes Sec. 5 of the Limitation Act.
Yadav Steels v. Additional Commissioner	Allahabad HC, WP 975 of 2023	Reiterated exclusion of Sec. 5; appeal filed 66 days beyond limitation rejected.

Case	Court / Citation	Holding
M/s Abhishek Trading Corp. v. State of U.P.	Allahabad HC, 2024 (2) TMI 1214	Relied upon in Yadav Steels for the proposition that CGST Act is a self-contained code excluding Sec. 5.
Venkateswara Rao Kesanakurti v. State of Andhra Pradesh	AP HC, TS-549-HC(AP)-2024-GST	Following Popular Construction Co. and Singh Enterprises, held Sec. 5 inapplicable beyond the additional condonable month.
Addichem Speciality LLP v. Special Commissioner, Deptt. of Trade & Taxes	Delhi HC, [2025] 171 taxmann.com 315	Writ petition seeking condonation beyond the Sec. 107 outer limit held not maintainable.
Akshansh Consultancy Services (P) Ltd. v. Deputy Commissioner	Rajasthan HC, [2025] 174 taxmann.com 23	Writ non-maintainable once both statutory and condonable periods expire, absent jurisdictional error or breach of natural justice.

Application to GST – the Liberal View

A competing line – spanning the Calcutta and Punjab & Haryana High Courts on Section 5's applicability, and the Madras, Andhra Pradesh High Courts and the Supreme Court (ITC Ltd.) on the independent scope of Article 226 – holds that, absent express exclusion, relief remains available directly under Section 5 or through equitable writ jurisdiction:

Case	Court / Citation	Holding
S.K. Chakraborty & Sons v. Union of India	Calcutta HC, [2024] 159 taxmann.com 259 (SLP pending, stayed – Diary No. 28069/2024)	Sec. 107 does not expressly / impliedly exclude Sec. 5; delay beyond 4 months held condonable.
Arvind Gupta v. Assistant Commissioner of Revenue State Taxes	Calcutta HC, WPA/2904/2023	Condoned delay beyond the 120-day outer limit under Article 226, following S.K. Chakraborty.
Partha Pratim Dasgupta v. Joint Commissioner of State Tax	Calcutta HC, 2024 (6) TMI 666	Condoned a 66-day delay beyond the condonable period; portal-upload date treated as date of communication.
Millenium Cement Company (P) Ltd. v. Superintendent, CGST	Calcutta HC, 2024 (6) TMI 549	Recomputed the delay after excluding the statutory 90-day period and condoned the balance.
Mukul Islam v. Assistant Commissioner of Revenue	Calcutta HC, WP 917 of 2024	Condoned delay; held Sec. 5 stands attracted as GST law does not specifically exclude the Limitation Act.
ITC Ltd. v. Union of India	Supreme Court, (1998) 8 SCC 610	Permitted a belated appeal in equity where Revenue did not oppose limitation; writ route accepted on special facts.
Vasudeva Engineering v. Union of India	P&H HC, [2024] 169 taxmann.com 155 (SLP pending – SLP(C) 14673/2025)	Writ jurisdiction under Art. 226 held available to direct hearing of a delayed appeal despite the statutory bar.
Pawan Fabrics v. Commissioner, CGST	P&H HC, [2025] 171 taxmann.com 277	Followed Vasudeva Engineering; condoned delay beyond 120 days.

Case	Court / Citation	Holding
Sathya Furnitures v. Assistant Commissioner (ST)	Madras HC, W.P. No. 10598 of 2023	Small trader permitted to pursue appeal beyond 120 days on facts.
TVL. Deepa Traders v. Deputy Commissioner (ST)	Madras HC, 2025 (3) TMI 1388	Condoned a 285-day delay; reasonable cause outweighed procedural technicality.
Shaik Abdul Azeez v. State of A.P.	AP HC, [2024] 159 taxmann.com 481	Condoned delay beyond 120 days with costs, treating the appellate remedy as a valuable statutory right.
Superintending Engineer, Dehar Power House Circle v. Excise & Taxation Officer	Supreme Court, 2019 LawSuit (SC) 1799 (HP VAT Act)	No express exclusion of the Limitation Act in the HP VAT Act; delay condoned; Hongo India distinguished as scheme-specific.
MP Steel Corporation v. Commissioner of Central Excise	Supreme Court, (2015) 7 SCC 58	Applying the Sec. 14 principle, time spent bona fide before a wrong forum ought to be excluded – an argument extended to support Sec. 5's applicability.

Recent Developments – the Position Awaiting Final Resolution

The Supreme Court, in ***Deputy Commissioner and Special Land Acquisition Officer v. M/s. S.V. Global Mill Limited (2026 (4) TMI 505 – SC)***, observed that mere prescription of a limitation period in a special law does not, without more, automatically exclude the Limitation Act – reopening debate for some. Yet the decision itself recognises that fiscal statutes such as the Central Excise and Customs Acts remain specialised, self-contained limitation codes, a description equally apt for Sections 107/112. Two SLPs carry the point forward: **S.K. Chakraborty & Sons** (Diary No. 28069/2024, stayed 05.08.2024) and **Vasudeva Engineering** (SLP (C) 14673/2025) – both pending. Until decided, the restrictive view prevails before the appellate authority/GSTAT, while Article 226 remains a discretionary residual remedy.

Conclusion and Views

The GST appellate scheme caps condonable delay at 120 days for the first appeal, six months for a GSTAT appeal, and 90 days for a cross-objection. In doing so, it mirrors the Central Excise/ Customs framework. That framework was treated by the Supreme Court in Singh Enterprises and Hongo India as impliedly excluding Section 5 of the Limitation Act. On a plain application of that trilogy, these outer limits ought to bind the appellate authority and the GSTAT themselves.

Yet three factors have pulled in the other direction. First, the GSTAT remained non-functional for years. Second, taxpayers have faced genuine, portal-driven filing difficulties. Third, the Section 112(5) cross-objection serves a protective purpose, since it typically shields a taxpayer-respondent who did not initiate the litigation. Together, these considerations have persuaded several High Courts to grant equitable relief under Article 226 in deserving cases. Importantly, that relief has been granted without disturbing the statutory principle at the departmental level.

The Supreme Court is yet to give its final word in the S.K. Chakraborty & Sons and Vasudeva Engineering appeals. Pending that ruling, the prudent course is as follows. Wherever possible, file within the statutory condonable period. Where delay has already occurred, file at once, and support the filing with a substantiated condonation application before the appellate forum. A parallel writ petition should be treated as a genuine but discretionary fallback — not as a routine substitute for a missed deadline.

[*] Note: Every effort has been taken by the author in compiling case laws / decisions by referring to different publications [in particular to citation and subject matter] in drafting the article on the subject. However, the readers may verify further to see its authenticity. This article contains author's own interpretation and should not be treated as an advise to apply in their legal cases / issues if any and the author is not responsible for any loss by following the same.

NOTIFICATION

INDIRECT TAX

Notification No. 24/2026-Customs

New Delhi, the 3rd July, 2026

S.O. (E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the Customs Act), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the goods specified in Schedule I annexed hereto, when imported into India, from the whole of the duty of Customs leviable thereon which is specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) and from the whole of the integrated tax leviable thereon under sub-section (7) of section 3 of the said Customs Tariff Act, 1975 subject to re-export and the conditions that, -

(1) the importer shall submit a declaration to the effect that the goods as specified in Schedule I are intended for display or use in specified event, in the format specified in Schedule II annexed hereto, to the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be, at the time of filing the Bill of Entry;

(2) the importer shall execute a bond equal to the value of the goods along with a bank guarantee or cash deposit equal to 110% of the duty that would be payable on the goods but for the exemption contained herein:

Provided that where the import is by the Central Government, State Government, Union territory Administration, a Diplomatic Mission in India or any of the International organisations notified under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), the importer shall not be required to furnish a bank guarantee or cash deposit.

(3) the goods shall not be removed from the place of the event, without the permission of the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be;

(4) the goods shall be capable of identification at the time of re-exportation;

(5) the importer shall follow the procedure for proper identification of the goods, that may be specified by the Deputy Commissioner of Customs or the Assistant Commissioner of Customs, as the case may be; and

(6) the goods shall be re-exported within a period of six months from the date of order permitting clearance of the goods issued under section 47 of the Customs Act:

Provided that where the import is by the Central Government, State Government, Union territory Administration, a Diplomatic Mission in India or any of the International organisations notified under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), the Commissioner of Customs may, on an application made in this regard, extend this period for a period of six months, each time, but not exceeding two years from the date of order issued under section 47 of the Customs Act:

Provided further that the goods imported under this notification may on any date before the expiry of the period allowed for re- export, be entered for home consumption, in accordance with any law applicable to such goods and on payment of the duties of customs which would be payable in respect of such goods, but for the exemption contained in this notification, along with the applicable interest.

2. This notification shall come into force on the 15th day of July, 2026.

Notification No. 25/2026-Customs

New Delhi, the 8th July, 2026

G.S.R (E). - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962) and sub-section (12) of section 3 of the Customs Tariff Act, 1975 (51 of 1975), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 45/2025-Customs, dated the 24th October, 2025, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 781(E), dated the 24th October, 2025, namely: -

In the said notification, in TABLE I, after S. No. 296 and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(6)
"296A.	3919 90 90 or 8529 90 90	The following goods for use in the manufacture of display assemblies (falling under heading 8524) for automotive, medical or industrial applications, namely: - (i) Cell; (ii) Flexible Printed Circuit Assembly (FPCA); (iii) Backlight Unit; (iv) Frame; (v) Anisotropic Conductive Film (ACF). Explanation. - For the purposes of this entry, display assemblies for automotive, medical or industrial applications shall not include, - (i) Display assembly of cellular mobile phones or wrist wearable devices (commonly known as smart watches); (ii) Liquid Crystal Display (LCD) or Back light for LCD of smart meters; (iii) LCD and Light Emitting Diode (LED) TV panels; Interactive Flat Panel Display (IFPD) Module: Provided that nothing contained in this S. No. shall have effect after 31st March, 2029	Nil	-	3".

Notification No. 26/2026-Customs

New Delhi, the 8th July, 2026

G.S.R. (E). - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 57/2017-Customs, dated the 30th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 798(E), dated the 30th June, 2017, namely: -

In the said notification, -

i. in the TABLE, after S. No. 6J and the entries relating thereto, the following S. No. and entries shall be inserted, namely: -

(1)	(2)	(3)	(4)	(5)	(1)
"6K.	3919 90 90, 8505 11 90 or 8544 11 10	The following goods for use in the manufacture of Inductor Coil Module used in cellular mobile phones for wireless charging, namely: - (i) NC (Nano-Crystalline) Assembly; (ii) E-Shield; (iii) PET Liner; (iv) PC Shim (with Z-Liner); (v) Main Stranded Coil and NFC Coil; (vi) NdFeB Magnets: **Provided** that nothing contained in this S. No. shall have effect after 31st March, 2029	Nil	1";	"6K.

ii. the Explanation shall be numbered as Explanation 1 thereof, and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely: -

"Explanation 2 — For serial number 6K of this notification, -

(a) "NC (Nano-Crystalline) Assembly" is a composite assembly comprising nano-crystalline material, copper foil, and graphite embossed together as a single layered structure encapsulated between conductive UV PET films. The assembly performs the function of converting magnetic flux into electrical energy through coils, while copper foil and graphite layers provide EMI shielding and heat dissipation;

(b) "E-Shield" consists of conductive PSA (Pressure Sensitive Adhesives) and conductive film received in roll form to accommodate automation. It is used for Electro Magnetic Interference (EMI) grounding, shielding purposes and helps to prevent interference with other devices;

(c) "PET Liner" is a Polyester (PET) thin transparent plastic film and has adhesive attached to the coil to handle coil integration assembly process to locate and orient the coil for automation assembly in the manufacturing process;

Notification No. 27/2026-Customs

New Delhi, the 8th July, 2026

G.S.R (E). - In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 25/2002-Customs, dated the 1st March, 2002, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 122(E), dated the 1st March, 2002, namely: -

In the said notification, in the TABLE, for S. Nos. 69 and 69A and the entries relating thereto, the following S. No. and entries shall be substituted, namely: -

Notification Entire can be read at: https://taxinformation.cbic.gov.in/view-pdf/1010719/ENG/Notifications

Notification No. 28/2026-Customs

New Delhi, the 10th July, 2026

G.S.R. (E).— In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 8/2016-Customs, dated the 5th February, 2016, published in the Gazette of India, Extraordinary vide number G.S.R. 147(E), dated the 5th February, 2016, namely:—

In the said notification, in condition (6), — after the first proviso, the following proviso shall be inserted, namely: —

"Provided further that in any particular case, the aforesaid period of two years may, on sufficient cause being shown, be extended by the Board by such further period as it may deem fit:";

In the second proviso, for the words "Provided further that", the words "Provided also that" shall be substituted.

Notification No. 29/2026-Customs

New Delhi, the 14th July, 2026

G.S.R...(E).- In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts, -

(i) goods of the description as specified in column (3) of the TABLE I appended below and falling under the Chapter, heading, sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE,-

(a) from so much of the duty of customs leviable thereon under the said Schedule, as is in excess of the amount calculated at the rate specified in the corresponding entries in column (4) of the said TABLE;

(b) from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE;

(c) from so much of the Health Cess leviable under section 141 of the Finance Act, 2020 (12 of 2020), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (6) of the said TABLE;

(ii) goods of the description as specified in column (3) of the TABLE II appended below and falling under the Chapter, heading, sub-heading or tariff item of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) as specified in the corresponding entries in column (2) of the said TABLE, from so much of the duty of customs leviable thereon under the said Schedule as is in excess of the amount calculated at the rate specified in the corresponding entries in column (4) of the said TABLE and from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entries in column (5) of the said TABLE;

(iii) goods of the description specified in column (3) of the TABLE III appended below, and falling within the tariff item of the First Schedule to the Customs Tariff Act, 1975, as are specified in the corresponding entry in column (2) of the said

TABLE in such quantity of total imports of such goods in a year, as specified in column (6) of the said TABLE (hereinafter referred to as the 'tariff rate quota (TRQ) quantity'), from so much of the duty of customs leviable thereon under the said schedule as is in excess of the amount calculated at the rate as specified in the corresponding entry in column (4) of the said TABLE (hereinafter referred to as the 'In-quota BCD rate') and from so much of the Agriculture Infrastructure and Development Cess (AIDC) leviable under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate as specified in the corresponding entry in column (5) of the said TABLE (hereinafter referred to as the 'In-quota AIDC rate'), subject to the conditions specified in the Annexure to this notification:

Provided that, in respect of such goods imported in excess of the tariff rate quota (TRQ) quantity specified in the corresponding entry in column (6) of the TABLE III in a year, the exemption shall be available from so much of the duty of customs leviable thereon under the said Schedule as is in excess of the amount calculated at the rate specified in the corresponding entry in column (7) of the said TABLE (hereinafter-of-Infrastructure and Development Cess leviable thereon under section 124 of the Finance Act, 2021 (13 of 2021), as is in excess of the amount calculated at the rate specified in the corresponding entry in column (8) of the said TABLE (hereinafter referred to as the 'Out-of-quota AIDC rate'), when imported into Republic of India from United Kingdom:

Provided that the exemption shall be available only if importer proves to the satisfaction of the Deputy Commissioner of Customs or Assistant Commissioner of Customs, as the case may be, that the goods in respect of which the benefit of this exemption is claimed are of the origin of United Kingdom, in terms of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 and rules as may be notified in this regard by the Central Government by publication in the Official Gazette.

Notification Entire can be read at : https://taxinformation.cbic.gov.in/view-pdf/1010722/ENG/Notifications

Direct Tax

Notification

New Delhi, the 3rd July, 2026

S.O. 3609(E).— In exercise of the powers conferred by section 400(1) read with section 147 of the Incometax Act, 2025 (30 of 2025) (hereinafter referred to as the said Act), the Central Government hereby specifies that no deduction of tax shall be made under section 393(1) [Table S.No. 2] of the said Act on payment in the nature of lease rent or supplemental lease rent, as the case may be, made by a person (hereafter referred to as the lessee) to a person being a Unit located in International Financial Services Centre (hereinafter referred to as the lessor) for lease of an aircraft subject to the following, namely:-

1. (1) The lessor shall –

   (a) furnish a statement-cum-declaration in Form No. 1(N) annexed to this notification (hereinafter referred to as the said form) to the lessee giving details of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act; and

   (b) such statement-cum-declaration shall be furnished and verified in the manner specified in the said Form, for each tax year out of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act;

   (2) The lessee shall —

   (a) not deduct tax on payment made or credited to lessor after the date of receipt of copy of statement-cum-declaration in the said Form from the lessor; and

   (b) furnish the particulars of all the payments made to lessor on which tax has not been deducted in view of this notification in the statement of deduction of tax referred to in of section 397(3)(b) of the said Act read with rule 219 of the Income-tax Rules, 2026.

2. The above relaxation shall be available to the lessor during the said twenty consecutive tax years as declared by the lessor in the said Form, for which deduction under section 147 is being opted and the lessee shall be liable to deduct tax on payment of lease rent for any other year.

3. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and they shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

Explanation.− For the purposes of this notification,—

a. "aircraft" shall have the same meaning as assigned to it in Schedule VI (Note 3) of the said Act;

b. "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005); and

c. "Unit" shall have the same meaning as assigned to it in section 2(zc) of the Special Economic Zones Act, 2005 (28 of 2005).

3. This notification shall be deemed to have come into force on the 1st day of April, 2026.

Notification

New Delhi, the 3rd July, 2026

S.O. 3610(E).— In exercise of the powers conferred by section 400(1) read with section 147 of the Incometax Act, 2025 (30 of 2025) (hereinafter referred to as the said Act), the Central Government hereby specifies that no deduction of tax shall be made under section 393(1) [Table S.No.2] of the said Act on payment in the nature of lease rent or supplemental lease rent, as the case may be, made by a person (hereinafter referred to as the lessee) to a person being a Unit of an International Financial Services Centre (hereinafter referred to as the lessor) for lease of a ship subject to the following, namely:-

1. (1) The lessor shall –

(a) furnish a statement-cum-declaration in Form No. 1(N) annexed to this notification (hereinafter referred to as the said Form) to the lessee giving details of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act; and

(b) such statement-cum-declaration shall be furnished and verified in the manner specified in the said Form, for each tax year out of twenty consecutive tax years for which the lessor opts for claiming deduction under section 147 of the said Act;

(2) The lessee shall —

(a) not deduct tax on payment made or credited to lessor after the date of receipt of copy of statement-cum- declaration in the said Form from the lessor; and

(b) also furnish the particulars of all the payments made to lessor on which tax has not been deducted in view of this notification in the statement of deduction of tax referred to in section 397(3)(b) of the said Act read with rule 219 of the Income-tax Rules, 2026.

2. The above relaxation shall be available to the lessor only during the said twenty consecutive tax years as declared by the lessor in the said Form for which deduction under section 147 is being opted and the lessee shall be liable to deduct tax on payment of lease rent for any other year.

3. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and they shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

Explanation. − For the purposes of this notification, −

(a) "ship" shall have the same meaning as assigned to it in Schedule VI (Note 3) of the said Act;

(b) "International Financial Services Centre" shall have the same meaning as assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005); and

(c) "Unit" shall have the same meaning as assigned to it in section 2(zc) of the Special Economic Zones Act, 2005 (28 of 2005).

4. This notification shall be deemed to have come into force on the 1st day of April, 2026.

Notification

New Delhi, the 6th July, 2026

S.O. 3654(E).— In pursuance of the section 45(4)(b) of the Income-tax Act, 2025, the Central Government hereby approves the Indian Institute for Human Settlements, Bangaluru (PAN: AACCI0088F) for research in Social Science or Statistical Research under the category of University, college or other institution, for the purposes of section 45(3)(a)(ii) of the said Act of 2025 and rules 32 and 34 of the Income-tax Rules, 2026.

2. This notification shall be applicable to the Indian Institute for Human Settlements, Bangalore for the tax years 2026-2027 to 2030-2031, subject to the conditions that it shall—

(i) comply with the conditions specified in rule 34 of the Income-tax Rules, 2026;

(ii) prepare statement under section 45(4)(a) of the Income-tax Act, 2025 for each tax year in Form No.15 and deliver or cause to be delivered to the Director General of Income-tax (Systems) or the person authorised by him on or before the 31st May, immediately following the tax year in which the donation is received, in accordance with rule 31 of the Income-tax Rules, 2026:

(iii) furnish to the donor, a certificate in Form No.16 specifying the amount of donation in accordance with rule 31 of the Income-tax Rules, 2026.

Notification

New Delhi, the 6th July, 2026

S.O. 3655(E).— In exercise of the powers conferred by Schedule VII [Table: Sl. No. 42] read with section 11 of the Income-tax Act, 2025 (30 of 2025) (hereinafter referred to as the Income-tax Act), the Central Government hereby notifies the "Telangana Pollution Control Board (PAN:AAAGT0080Q)" (hereinafter referred to as the assessee), a Board constituted under the Water (Prevention & Control of Pollution) Act, 1974 (6 of 1974) and the Air (Prevention & Control of Pollution) Act, 1981 (14 of 1981) for the purposes of that serial number.

2. This notification shall be effective from the tax year 2026-2027, subject to the condition that the assessee continues to be a Board constituted under the Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974) and the Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981), with one or more of the purposes specified in Schedule VII [Table: Sl. No. 42] of the Income-tax Act.

Notification

New Delhi, the 7th July, 2026

S.O. 3683(E).— Whereas, section 10(23EE) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of any specified income of such Core Settlement Guarantee Fund, set up by a recognised clearing corporation in accordance with the regulations as may be notified by the Central Government in the Official Gazette for the purposes of that clause;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536(1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act, 2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment, reassessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2)(a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies the "Core Settlement Guarantee Fund (PAN: AAAJN1263G) set up by the National Commodity Clearing Limited (NCCL)", a recognised clearing corporation, for the purposes of section 10(23EE) of the Act of 1961, for the assessment years 2019-2020 to 2026-2027.

2. This notification shall be subject to the following conditions, namely:-

(a) the Core Settlement Guarantee Fund shall furnish return of income in accordance with section 139(4C) of the Act of 1961; and

(b) the National Commodity Clearing Limited (NCCL) shall continue to be recognised as a clearing corporation by the Securities and Exchange Board of India.

3. Failure to comply with the above conditions shall result in withdrawal of exemption under section 10(23EE) of the Act of 1961 and initiation of proceedings under the said Act.

Notification

New Delhi, the 7th July, 2026

S.O. 3684(E).— In exercise of the powers conferred by Schedule III [Table: Sl. No. 30] read with section 11 of the Income-tax Act, 2025 (30 of 2025), (hereinafter referred to as "the Income-tax Act), the Central Government hereby notifies the "Core Settlement Guarantee Fund (PAN: AAAJN1263G) set up by National Commodity Clearing Limited (NCCL)", a recognized clearing corporation, in respect of the income referred against the said serial number, for the tax Year 2026-2027 onwards.

2. This notification shall be subject to the following conditions, namely:—

(a) the National Commodity Clearing Limited (NCCL) shall continue to be recognized as a clearing corporation by the Securities and Exchange Board of India in terms of Note 11 to Schedule III of the Income-tax Act; and

(b) where any amount standing to the credit of the Core Settlement Guarantee Fund and not charged to income-tax during any tax year is shared, either wholly or in part with the specified person, the whole of the amount so shared shall be deemed to be the income of the tax year in which such amount is so shared and shall, accordingly, be chargeable to income-tax; and

(c) the Core Settlement Guarantee Fund shall furnish return of income in accordance with section 263 of the Incometax Act;

3. Failure to comply with the above conditions shall result in withdrawal of exemption under Schedule III [Table: Sl. No. 30] read with section 11 of the Income-tax Act and initiation of proceedings under the said Act.

Notification

New Delhi, the 10th July, 2026

S.O. 3743(E).— In exercise of the powers conferred by section 400(1) read with section 147 of the Income-tax Act, 2025(30 of 2025) (hereinafter referred to as the said Act), the Central Government hereby notifies that no deduction of tax shall be made under the provisions of the said Act as specified in column (4) of the Table below in respect of the payments, as specified in column (3) of the said Table, made by any payer to a person being a Unit of International Financial Services Centre, (hereinafter referred as the payee), as specified in column (2) of the said Table:-

Notification Entire can be read at : *https://www.incometaxindia.gov.in/documents/d/guest/notification-80-2026-pdf*

Notification

New Delhi, the 10th July, 2026

S.O. 3759(E).— In pursuance of section 258(1)(b) of Income-tax Act, 2025, the Central Government hereby specifies Principal Secretary, Cooperation, Marketing and Textile Department, Government of Maharashtra for the purposes of the said section in connection with sharing of information regarding incometax payers' for identifying eligible beneficiaries under the Punyashlok Ahilyadevi Holkar Farmer Loan Waiver Scheme, 2026.

Notification

New Delhi, the 13th July, 2026

S.O. 3798(E).—Whereas, section 10(46) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of specified income of certain bodies or authorities or Boards or Trusts or Commissions as may be notified by the Central Government in the Official Gazette for the purposes of that section;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536(1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act,2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment,reassessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any othermeans, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2)(a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies, for the purposes of section 10(46) of the Act of 1961, "Baddi Barotiwala Nalagarh Development Authority (PAN AAALB0528J)", an authority constituted by the State Government of Himachal Pradesh, in respect of the following specified income arising to that Authority, namely:-

(a) grants received from the Central Government or the State Government of Himachal Pradesh;

(b) revenue receipts under the Himachal Pradesh Town and Country Planning Act, 1977 (Himachal Pradesh Act 12 of 1977); and

(c) interest on bank deposits.

2. This notification shall be effective subject to the conditions that the Baddi Barotiwala Nalagarh Development Authority-

(a) shall not engage in any commercial activity;

(b) its activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c) shall file return of income in accordance with the provisions of section 139(4C)(g) of the Act of 1961.

3. Failure to comply with these conditions shall result in the initiation of penal actions under the provisions of the Act of 1961, and withdrawal of exemption granted under section 10(46) of the Act of 1961.

4. This notification shall be deemed to have been applied for the assessment years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 relevant to the financial years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.

Notification

New Delhi, the 13th July, 2026

S.O. 3799(E).— Whereas, section 10(46) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of specified income of certain bodies or authorities or Boards or Trusts or Commissions as may be notified by the Central Government in the Official Gazette for the purposes of that section;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536(1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act, 2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment, reassessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2)(a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies, for the purposes of section 10(46) of the Act of 1961, "Baddi Barotiwala Nalagarh Development Authority (PAN AAALB0528J)", an authority constituted by the State Government of Himachal Pradesh, in respect of the following specified income arising to that Authority, namely:-

(a) grants received from the Central Government or the State Government of Himachal Pradesh;

(b) revenue receipts under the Himachal Pradesh Town and Country Planning Act, 1977 (Himachal Pradesh Act 12 of 1977) ; and

(c) interest on bank deposits.

2. This notification shall be effective subject to the conditions that the Baddi Barotiwala Nalagarh Development Authority-

(a) shall not engage in any commercial activity;

(b) its activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c) shall file return of income in accordance with the provisions of section 139(4C) (g) of the Act of 1961.

3. Failure to comply with these conditions shall result in the initiation of penal actions under the provisions of the Act of 1961, and withdrawal of exemption granted under section 10(46) of the Act of 1961.

4. This notification shall be deemed to have been applied for the assessment years 2024-25, 2025-26 and 2026-27 relevant to the financial years 2023-24, 2024-25 and 2025-26.

CIRCULAR

INDIRECT TAXATION

Circular No. 30/2026-Customs

New Delhi, dated 3rd July, 2026.

Subject: Grant of drawback under section 74 or refund under section 27 of the Customs Act, 1962 in cases where import duty has been paid through Duty Credit Scrips-Reg.

Board has received representations from the trade and industry regarding the difficulties faced by them in cases of drawback under section 74 or refund under section 27 of the Customs Act, 1962, where, at the time of import, the duty was paid, either wholly or partly through duty credit scrips.

2. In this regard, Board has noticed that divergent practices are being followed by the field formations. While some field formations are re-crediting the drawback under Section 74 or refund under Section 27 of the Customs Act, 1962 into the scrips or issuing re-credit certificates, others are granting the same in cash. This issue has also been highlighted in Para 5.3 of C&AG's Report No. 33/2025 on Duty Drawback Scheme, wherein it was observed that, in certain cases where the importer had discharged Basic Customs Duty (BCD) through Duty Credit Scrips, drawback under Section 74 of the Customs Act, 1962 was incorrectly granted in cash.

3. The matter has been examined in the Board. It is clarified that wherever the duty has been paid through scrip(s) at the time of import, and subsequently drawback under section 74 or refund under section 27 of the Customs Act, 1962, as the case may be, becomes admissible, the same shall be granted through re-credit and not in cash.

4. Accordingly, in cases where duty at the time of import has been paid through RoDTEP/RoSCTL scrips, the drawback under Section 74 or refund under Section 27 of the Customs Act, 1962, as the case may be, shall be granted by way of re-credit into the electronic credit ledger of the IEC holder. The re-credited amount will be available for generation of e-scrip(s), which may be utilized by the respective IEC holder in the same manner as prescribed under notification No. 75/2021 -Customs (N.T.) dated 23.09.2021. Directorate General of Systems is in process of developing the necessary module on Customs Automated System (CAS). A detailed advisory will be issued by the Directorate General of Systems upon completion of the said module.

5. In cases involving legacy schemes such as MEIS, SEIS, etc., where the import duty was paid through such legacy scrips and re-credit of the scrips is not feasible at the time of sanctioning drawback under Section 74 or refund under Section 27 of the Customs Act, 1962, as the case may be, the Customs authority shall issue a re-credit Certificate for revalidation of duty credit scrips from DGFT containing the details of the scrip utilised, the date of import of the goods subsequently re-exported, and the amount debited at the time of import.

5. Difficulty faced, if any, in the implementation of this Circular may be brought to the notice of the Board.

Circular No. 31/2026-Customs

Date: 4rd July, 2026

Subject: Deficiency Memo under section 74 of the Customs Act, 1962 - reg

Your attention is invited towards Audit Para 7.1 of the Audit Report 33 of 2025 wherein it has been observed by the Audit that there is no prescribed form for Deficiency Memo for processing of duty drawback claims under Section 74 of the Customs Act, 1962.

2. The matter has been examined in the Board in consultation with field formations. The field formations under your jurisdiction may be suitably directed to issue Deficiency Memo under Section

74 of the Customs Act, 1962 in the format enclosed herewith as Annexure-I.

3. The difficulties, if any, may be brought to the notice of Board.

Circular No. 32/2026-Customs

Dated the 11th July, 2026

Subject: Discontinuation of submission of manual documents/statements in respect of containers imported under Notification No. 104/94-Customs dated 16.03.1994 by the Shipping Lines– reg.

Attention is invited to Notification No. 104/94-Customs dated 16.03.1994 read with Circular No 31/2005-Cus dated 25th July, 2005 and Circular 51/2020-Customs dated 20th November, 2020, which exempts containers of a durable nature from the whole of customs duty and whole of additional duty, subject to execution of a bond and fulfilment of the prescribed conditions, including re-export of such containers within the stipulated period or payment of the applicable customs duty in case of non-compliance.

2. References have been received from the shipping lines highlighting that, under the existing procedure, they are required to intimate the customs the number and identification particulars of the containers manually to be moved outside the customs area. Currently carriers execute manual bond with customs, which are recorded in the system and subsequently debited or credited based on the filing of manifest information with Customs viz. IGM/SAM and EGM/SDM electronic messages.

3. The matter has been examined. In order to promote the Ease of Doing Business, it has been decided to revise the framework of monitoring the duty free imports of containers in terms of Notification No. 104/94-Customs dated 16.03.1994. DG Systems will generate reports of containers along with necessary details which have not been re-exported within the stipulated period of 6 months. These reports will then be published on ICEGATE portal (https://www.icegate.gov.in) for use by various shipping lines or the Customs officers for appropriate action under the Customs Act, 1962. The shipping lines, Non Vessel Owning Common Carrier (NVOCC), steamer agents or their authorized agents shall continue to execute the bond without any surety. This process will ease the process of manual debit/credit of bond for every transaction and save time & cost for stakeholders.

4. “One Nation One Port Process” report by the Ministry of Port, Shipping and Waterways has also highlighted the aspect of upgradation of Terminal/ Port Operating Systems which will eliminate the practice of approvals/manual verification during gate-in/ gate-out. This will ensure safety and security of supply chain involved in exim cargo and also obviates the need of verifying the movement physically at port/terminal gate.

5. In view of process automation requirement of ports/ terminals, there is need for development of electronic Gate System equipped to capture movement of container from Customs area. Accordingly, field formations shall coordinate with DG Systems and Port/ Terminal operators for expedited integration to have efficient process automation and doing away with manual intervention in relation to such container movement. Port/ terminal operators should maintain above record electronically, for containers which enter or exit through their notified Customs area.

6. Field formations shall ensure that the above facilitation measures are implemented in a trade-friendly manner. Suitable Public Notices may be issued in this connection.

7. Difficulties, if any, in implementation of this Circular may be brought to the notice of the Board.

Circular No. 33/2026-Customs

New Delhi, Dated: 13th July, 2026

Subject: Implementation of self-certification of Origin Declarations under the India-United Kingdom Comprehensive Economic and Trade Agreement (India-UK CETA)-reg.

The India-United Kingdom Comprehensive Economic and Trade Agreement ("India-UK CETA" or "the Agreement") shall enter into force with effect from 15 July 2026. Consequently, the Customs Tariff (Determination of Origin of Goods under the Comprehensive Economic and Trade Agreement between the Government of the Republic of India and the Government of the United Kingdom of Great Britain and Northern Ireland) Rules, 2026, notified vide Notification No. 62/2026-Customs (N.T.) dated 03.07.2026, shall come into operation from 15.07.2026. The said Rules provide the legal framework for determining the originating status of goods traded under the Agreement.

Implementation of Authentication Framework for Origin Declarations

2. Recognising the need for trust-based compliance and facilitation of origin-related procedures, the Rules of Origin provisions of the Agreement introduce a system of self-declaration of origin by exporters or producers of the United Kingdom for claiming preferential tariff treatment on imports into India. Accordingly, the applicable proof of origin shall be an "Origin Declaration" completed by the exporter or producer in accordance with Rule 16 and in the fo1mat prescribed in Annexure-B to the said Rules. Under this framework, the exporter or producer certifies that the goods described in the Origin Declaration qualify as originating and that the information contained therein is true and accurate.

3. As the Agreement adopts a self-declaration framework in place of the conventional system of certificates of origin issued by designated authorities, it provides for an authentication process to be implemented by the customs authorities of India and the United Kingdom. Accordingly, the necessary arrangements have been put in place for the exchange of information and authentication of Origin Declarations for imports into India.

4. Preferential tariff treatment may be claimed only after the authenticity of the Origin Declaration has been established in accordance with the agreed modalities. Authentication establishes that the Origin Declaration has been completed and transmitted by a genuine exporter or producer of the United Kingdom and is valid for use in support of a preferential tariff claim in India. It also provides safeguards against impersonation, duplicate use of Origin Declarations and other misuse of preferential tariff claims. Authentication establishes only the genuineness of the Origin Declaration and does not, by itself, establish that the goods qualify as originating. The originating status of the goods may be verified separately, where required, in accordance with the Agreement and the said Rules.

5. For the purpose of authentication, the prescribed authentication data relating to United Kingdom exporters or producers is shared by UK Customs authorities to the Directorate General of Systems and Data Management. An Origin Declaration shall be authenticated with reference to such data.

5.1. Before a claim for preferential tariff treatment is made, the United Kingdom exporter or producer shall transmit the Origin Declaration, completed in accordance with Rule 16 and Annexure-B to the said Rules, simultaneously to the designated CBIC nodal email address, namely cbic.customs.indiaukceta@CBIClndia.onmicrosoft.com, and to the Indian importer at its ICEGATE-registered email address. Upon successful authentication, a Unique Reference Number (URN) shall be generated and communicated by email to the United Kingdom exporter or producer, with a copy to the Indian importer. The importer may thereafter claim preferential tariff treatment in the relevant Bill of Entry by quoting the URN assigned to the authenticated Origin Declaration

5.2. Indian importers shall share their ICEGATE-registered email address with the United Kingdom exporter or producer and ensure that the same is used for transmission of the Origin Declaration. Importers shall also ensure that the registered email address is kept updated on ICEGATE so as to facilitate receipt of the Origin Declaration and authentication-related communications, including the URN.

6. Information, including personal information, exchanged under the authentication framework shall be used only for purposes connected with authentication of Origin Declarations,

determination of origin and related customs matters, and shall be protected against unauthorised access, disclosure or misuse in accordance with the Agreement.

Validity and Use of Origin Declarations

7. An Origin Declaration shall remain valid for twelve months from the date of its completion.

8. An Origin Declaration shall relate to a single shipment and shall not be used for multiple importations. However, where goods covered by a single shipment are deposited in a warehouse, the URN assigned to the authenticated Origin Declaration shall be quoted in the warehousing Bill of Entry and may thereafter be used for one or more corresponding ex-bond clearances arising from that Bill of Entry. Clearance of such warehoused goods in separate lots through multiple ex-bond Bills of Entry shall not be construed as use of the Origin Declaration for multiple importations.

8.1. A fresh Origin Declaration or fresh authentication shall not be required for each ex-bond clearance, provided that

(i) the ex-bond Bills of Entry are relatable to the relevant warehousing Bill of Entry;

(ii) each Bill of Entry for home consumption under section 68 of the Customs Act, 1962 is filed within the validity period of the Origin Declaration; and

(iii) all other conditions prescribed under the Agreement and the said Rules are fulfilled.

Transitional Treatment of Goods in Transit or under Customs Control

9. It is clarified that, in tem1s of Rule 20 of the said Rules, preferential tariff treatment may also be claimed in respect of originating goods which arrive in India on or after 15 July 2026, or continue to remain under customs control as on that date. This includes goods in respect of which an order for clearance for home consumption under section 47 of the Customs Act, 1962 has not been made, as well as warehoused goods not yet cleared for home consumption under section 68 of the said Act.

9.1. In such cases, the absence of an Origin Declaration at the time of arrival or warehousing shall not, by itself, preclude the importer from claiming preferential tariff treatment. An Origin Declaration completed on or after 15 July 2026 and authenticated in accordance with the procedure specified above may be accepted as proof of origin, subject to fulfilment of the conditions prescribed under the Agreement and the said Rules.

9.2. Where goods had been warehoused before 15 July 2026, the authentication process could not have been completed at the time of filing the warehousing Bill of Entry, as the Agreement had not yet come into force. In such cases, Origin Declaration shall be completed and authenticated on or after 15 July 2026 and the URN generated and communicated to the importer in respect of an Origin Declaration shall be quoted in the corresponding ex-bond Bill of Entry, or Bills of Entry through which preferential tariff treatment is claimed.

Trade Advisory

10. A detailed advisory for trade, setting out the procedure for submission and authentication of Origin Declarations, generation and use of the URN, treatment of warehoused goods and illustrative case scenarios, is being issued separately and shall be made available on the ICEGATE portal.

11. Difficulties, if any, in implementation of this Circular may be brought to the notice of the Board.

Direct Tax

Circular No : 6/2026

Sub: Condonation of delay in filing Form No. 10AH electronically for approval under clause

(ii) of the first proviso to section 80G(5) of the Income-tax Act, 1961 - reg.

Section 80G of the Income-tax Act, 1961 ("the Act") provides for deduction in respect of donations made to certain funds and institutions. For availing approval under clause (ii) of the first proviso to section 80G(5) of the Act, a fund or institution approved under section 800(5) and whose approval is due to expire, is required to furnish an application in Form No. I OAB electronically, at least six months prior to expiry of the said period.

2. Representations have been received in the Board from certain funds and institutions whose approval was expiring on 31.03.2026 and who could not furnish Form No. lOAB for seeking approval under clause (ii) of the first proviso to section 80G(5) of the Act within the due date of 30.09.2025.

It has been represented that the delay in furnishing the prescribed application was attributable to bona fide reasons and other circumstances resulting in genuine hardship to the funds or institutions in terms of receipt of donations.

3. The matter has been examined by the Board. In order to mitigate genuine hardship to such funds and institutions, the Central Board of Direct Taxes, in exercise of the powers conferred under section 119(2)(b) of the Income Tax Act, 1961 read with section 536(2) of Income Tax Act, 2025, hereby condones the delay in filling Form No. I OAB, where the prescribed application in Form No.lOAB has been furnished electronically between O1.10.2025 to 31.03.2026. The jurisdictional Principal Commissioner ofincome-tax or Commissioner of Income-tax are authorized to dispose of such applications on merits and pass an order on or before 31.12.2026.

4. Further, where an application in Form No. lOAB filed electronically between 01.10.2025 to 31.03.2026 has been rejected as on date of issue of this circular solely on the ground that it was furnished beyond the prescribed time limit of 30.09.2025, the delay shall be deemed to have been condoned in such cases. The jurisdictional Principal Commissioner of Income-tax or Commissioner of Income-tax are authorized to dispose of such applications on merits and pass an order on or before 31.12.2026.

5. Nothing contained in this Circular shall be construed as conferring any automatic entitlement to approval under section 80G(5) of the Act or section 133(l)(b) of I.T. Act, 2025, as the case may be.

Judgement

Indirect Tax

ITC denial for belated returns unjustified as returns filed within section 16(5) cut-off; reassessment directed: HC

Facts of the Case: Silver Castle Holidays and Resorts (India) (P.) Ltd. vs. Superintendent, Central Tax and Central Excise Department [2026] (Kerala)

The petitioner, a registered taxpayer, was assessed by the department and ITC was denied on the ground that returns had been filed belatedly under section 16(4) of the CGST Act. The assessment order also raised a separate demand relating to excess ITC. Aggrieved by the denial of ITC, the petitioner filed a writ petition contending that the claim was covered by the relaxation provided under section 16(5) of the CGST Act, which permitted availment of ITC where returns were furnished within the prescribed cut-off period. The matter was placed before Kerala High Court.

Decision of the Case : The Kerala High Court held that denial of ITC under section 16(4) of the CGST Act was not justified where the returns filed by the petitioner fell within the period covered by section 16(5) of the CGST Act. The Court observed that the relaxation provided under section 16(5) of the CGST Act was applicable to the petitioner's claim and the benefit could not be denied merely by applying the limitation prescribed under section 16(4) of the CGST Act. The Court accordingly directed the department to reconsider the claim in light of section 16(5) of the CGST Act, subject to fulfilment of other applicable conditions. The demand order was quashed to the extent it denied ITC based on section 16(4) of the CGST Act, and the matter was remanded for reconsideration.

Liberty granted to file appeal before functional Tribunal; coercive action stayed for four weeks: HC

Facts of the Case: Vinod Kumar Saraff vs. Assistant Commissioner of State Tax - [2026] (Calcutta)

The petitioner challenged the order of cancellation of GST registration and the subsequent order passed by the appellate authority dismissing the appeal filed under Section 107 of the CGST Act and the West Bengal GST Act. The petitioner filed the writ petition against the said order at a time when the Appellate Tribunal prescribed under Section 112 had not yet been constituted. Upon deposit of 20% of the amount of disputed tax, an interim order granting protection was passed and remained in operation. The matter was accordingly placed before the High Court.

Decision of the Case : The High Court held that, in view of the constitution and functioning of the Appellate Tribunal under Section 112, it was appropriate to dispose of the writ petition by granting the petitioner liberty to approach the Appellate Tribunal within four weeks. The Court observed that the appeal, if filed, shall be considered and disposed of by the Appellate Tribunal on merits in accordance with law, taking into account the observations made in the order and the deposit of 20% of the disputed tax amount. Accordingly, considering the provisions relating to appeals under Section 112 and cancellation of registration under Section 29, the Court directed the authorities not to take any coercive action against the petitioner for a period of four weeks from the date of the order to enable filing of the appeal.

ITC denial on non-reflection in GSTR-2A due to portal glitch was unjustified if statutory conditions met: HC

Facts of the Case: Meenakshi Collections vs. Assistant Commissioner (ST) - [2026] (Madras)

The petitioner availed input tax credit (ITC) on invoices; however, the corresponding inward supplies were not reflected in GSTR-2A due to technical glitches on the GST portal. The jurisdictional officer under the CGST Act denied the ITC and passed an order demanding reversal of credit along with interest at 18% and a 100% penalty. The petitioner submitted that the non-reflection of invoices in GSTR-2A resulted from technical glitches acknowledged by the authorities and relied upon Circular No. 183/15/2022-GST, contending that the statutory conditions for availing ITC had otherwise been satisfied. The matter was accordingly placed before the High Court.

Decision of the Case : The High Court held that Section 16 read with Sections 41, 50 and 74 of the CGST Act and the Tamil Nadu GST Act, and Rule 36 of the CGST Rules and the Tamil Nadu GST Rules required the petitioner's entitlement to ITC to be examined on the basis of satisfaction of the statutory conditions and not merely on the non-reflection of invoices in GSTR-2A due to acknowledged technical glitches. The Court held that verification of the petitioner's claim was required to be undertaken strictly in accordance with Circular No. 183/15/2022-GST, before determining the admissibility of the ITC. The Court further held that if the petitioner established entitlement to the credit in terms of the aforesaid statutory provisions and the Circular, no interest or penalty would be leviable. Accordingly, the impugned order was quashed and the matter was remitted for fresh adjudication.

Original refund application illegally rejected & new application was filed; interest for delay calculated from original application date: HC

Facts of the Case: Kuehne Nagel (P.) Ltd. vs. Union of India - [2026] (Gujarat)

The petitioner filed an original refund application under Section 54 of the CGST Act and the Gujarat GST Act. The refund application was not accepted by the Proper Officer, following which the petitioner challenged the refusal through a writ petition. Pursuant to the order, whereby the earlier refusal was set aside and the refund claim was directed to be processed, the petitioner re-filed the refund application. The Proper Officer thereafter sanctioned the refund but denied interest under Section 56. The petitioner contended that the original refund application was validly filed and that the illegal refusal by the authorities could not postpone the statutory liability to pay interest. The matter was accordingly placed before the High Court.

Decision of the Case : The High Court held that Section 56 read with Section 54 required interest on delayed refund to be computed with reference to the original refund application where such application had been validly filed. The Court held that the initial refusal of the refund application was illegal and the subsequent direction to re-file the application pursuant to the earlier judicial order could not defer the commencement of statutory interest under Section 56. The Court further held that the Proper Officer's adoption of the refund application refiling date as the relevant date for computation of interest was contrary to the statutory scheme, as the undisputed original application had been filed earlier. Accordingly, the denial of interest was set aside, and the jurisdictional officer under the CGST Act was directed to grant interest, reckoning the date of the original refund application as the relevant date.

6-month gap between SCN and OIO is directory; repeated hearing opportunities and timely OIO keep proceedings valid: HC

Facts of the Case: Bengal Cold Rollers (P.) Ltd. vs. Assistant Commissioner (ST) - [2026] (Telangana)

The petitioner challenged the SCN and the OIO relating, contending that the proceedings were vitiated as a gap of six months between issuance of the SCN and passing of the OIO was not maintained and that the liberty granted in earlier proceedings to file a reply within 30 days had been violated. The record showed that Form GST DRC-01A had been issued. The seized records were supplied and the petitioner participated in the personal hearing before the OIO was passed. The petitioner further contended that effective opportunity of hearing was denied as the OIO was issued within five days of the last hearing and invoked the writ jurisdiction despite earlier directions of the Hon'ble Supreme Court permitting recourse to the statutory appellate remedy. The matter was accordingly placed before the High Court.

Decision of the Case : The High Court held that the six-month interval between the issuance of the SCN and the passing of the order under Section 74 of the CGST Act, read with the Telangana GST Act, was directory, as the statute did not prescribe any consequence for non-compliance with such time gap. It further held that the requirements of Section 75 of the CGST Act regarding opportunity of hearing had been substantially complied with. The Court found that no prejudice had been caused merely because the OIO was passed within five days of the last hearing and rejected the challenge based on alleged violation of natural justice. It further held that, in view of the earlier directions of the Hon'ble Supreme Court and the availability of an effective remedy under Section 107, the writ petition was not maintainable and dismissed it with liberty to pursue the statutory appeal on the prescribed pre-deposit.

Direct Tax

Receivables towards warranty reimbursement from associated enterprise constitute 'asset' for reopening beyond 3 years: HC

Facts of the Case : Huawei Telecommunications (India) Company (P.) Ltd. vs. Assistant Commissioner of Income-tax - [2026] (Delhi)

Pursuant to a search, the Assessing Officer (AO) reopened the assessment beyond three years on the ground that the assessee had claimed a deduction for a provision towards warranty expenses but had not recognised the corresponding receivables from its associated enterprise (AE).

According to the AO, the assessee's Transfer Pricing Study Report and the Distribution Agreement indicated that the AE was required to bear the warranty risk and indemnify the assessee against losses arising from product defects. Therefore, the amount equivalent to the warranty provision represented a receivable in the hands of the assessee and constituted an 'asset' for the purposes of section 149 read with the fourth proviso to section 153A.

The assessee challenged the reassessment notices, contending that the applicable Distribution Agreement contained no specific clause requiring reimbursement of warranty provisions and, therefore, no receivable or asset existed. It was further submitted that any reimbursement, if received, would be taxable in the year of receipt, and that the issue relating to the warranty provision had already been decided in its favour in earlier years.

The matter reached the Delhi High Court.

Decision of Case : The High Court observed that the Distribution Agreement obligated the AE to assume risks relating to product quality and indemnify the assessee against losses arising from non-performance of the products. The Court also noted that the Transfer Pricing Study Report recorded that warranty risks were to be borne by the AE and that the assessee had itself admitted recovery of substantial amounts from the AE towards customer claims.

These materials constituted sufficient prima facie evidence for the Revenue to form a belief that receivables on account of warranty reimbursement existed and that such receivables were in the nature of an 'asset' for the limited purpose of invoking reassessment beyond three years. The Court clarified that it was not examining whether the assessee was ultimately entitled to the warranty deduction or whether the receivable was actually taxable.

Those issues involved the appreciation of evidence and were left open for adjudication by the Assessing Officer during the reassessment proceedings. Accordingly, the challenge to the reassessment notices for AY 2015-16 was rejected.

HRA exemption u/s 10(13A) allowable where employer pays rent to landlord and recovers same from employee's salary: HC

Facts of the Case : Kuldeepkumar D. Kaura vs. Deputy Commissioner of Income-tax - [2026] (Gujarat)

The assessee, an individual, was employed as Chief Operating Officer (COO) & Chief Executive Officer (CEO) of a company. During the relevant assessment year, he claimed exemption of House Rent Allowance (HRA) while filing the return of income. The assessee was provided with residential accommodation by the employer. The employer paid rent directly to the landlord and recovered the same from the assessee's salary. The exemption was claimed by the assessee under section 10(13A) read with Rule 2A of the Income-tax Rules, 1962.

During the assessment proceedings, the Assessing Officer (AO) contended that the exemption claim of HRA would not qualify for exemption under section 10(13A) as the assessee was allowed to occupy the leased accommodation provided by the employer for which he was not paying any rent to the landlord directly. AO added to the assessee's income and denied the exemption claim. The CIT(A) deleted the additions made by AO, which the Tribunal reversed.

Aggrieved by the order of the Tribunal, the assessee filed an appeal to the Gujarat High Court.

Decision of Case : The High Court held that section 10(13A) provides that any special allowance granted to the assessee by the employer to meet the expenditure actually incurred on payment of rent in respect of residential accommodation occupied by the assessee, as may be prescribed. To that extent, such special allowance would be exempt from income tax and would not form part of the total income. It is immaterial who pays the rent, particularly when the assessee has not been provided rent-free accommodation by the employer. In fact, the same amount of rent is recovered from the assessee's salary, which the employer pays to the landlord.

Thus, the reimbursement of the amount which otherwise would have been payable by the assessee but is paid by the employer and recovered from the salary of the assessee and paid to the landlord by the employer would not make any difference for granting exemption of the HRA under section 10(13A). Therefore, the assessee was entitled to exemption under section 10(13A).

Sec. 69A addition upheld as cash deposits couldn't be reconciled with turnover and GST records: ITAT

Facts of the Case: Lokesh Thakur vs. Assessing Officer, Assessment Unit, ITD [2026] (Delhi - Trib.)

The assessee-individual, a tour operator and ticket booking proprietor, filed a return. Based on information available on the Insight Portal, the Assessing Officer (AO) noticed cash deposits of ₹. 5.66 crore in the assessee's bank accounts during the relevant financial year, whereas the assessee had disclosed gross receipts of only ₹. 2.71 crore.

Accordingly, the AO reopened the assessment. The AO found discrepancies between the cash deposits, GST returns and declared turnover. He thus treated the difference as unexplained money under section 69A read with section 115BBE on the ground that the assessee had failed to maintain separate and verifiable records of reimbursements.

On appeal, the CIT(A) upheld the additions. Aggrieved assessee filed the instant appeal before the Tribunal.

Decision of Case : The Tribunal held that the assessee contended that the deposits were from clients for travel booking, including reimbursements and advancements. The assessee furnished GST returns, financial statements and bank records. Surprisingly, discrepancies were also found between the GSTR-1 invoice value and declared receipt. The assessee failed to reconcile the total deposits to substantiate them with credible evidence.

Therefore, in the absence of explanation, authenticity and documentary support, and since no separate accounts or verifiable reconciliation of reimbursements were produced, the AO treated the amount as unexplained money and added the same under section 69A with section 115BBE.

The onus not having been discharged satisfactorily to explain the source and nature of cash deposits aggregating to ₹. 2.95 crores, and having regard to the discrepancies between the cash deposits, declared turnover, GST returns, and accounting records, the addition invoking the provisions of section 69A and the consequential addition under Section 115BBE is found to be just and proper, not warranting any interference. Thus, the appeal filed by the assessee was dismissed.

Cash deposit taxed in prior year cannot be taxed again in absence of fresh unexplained source; partial relief granted: ITAT

Facts of the Case: Sengodan Govindarajan vs. Income-tax Officer - [2026] (Chennai - Trib.)

The assessee, an individual, filed his return of income for the relevant assessment year. During the limited scrutiny proceedings, the assessee submitted that the assessee had already declared ₹. 50 lakhs under the PMGKY Scheme. Unsatisfied with the explanation, the Assessing Officer (AO) added the balance cash deposit of ₹. 17 lakhs to the income of the assessee, taxing it at the higher rate under section 115BBE.

Aggrieved by the order, the assessee preferred an appeal to the CIT(A), wherein the additions were confirmed. The matter then reached the Chennai Tribunal.

Decision of Case : The Tribunal held that the assessee had contended that out of the impugned addition of ₹. 17 lakhs, a sum of ₹. 10 lakhs had already been subjected to tax in the earlier assessment year. It was submitted that the AO considered the very same cash balance in the earlier assessment year, and an addition of ₹. 10 lakhs was made and brought to tax.

Therefore, the said amount cannot once again be treated as unexplained in the year under consideration. Once a particular source of cash has already been examined and brought to tax in an earlier assessment year, the same amount cannot again be subjected to tax in a subsequent year in the absence of any material showing the availability of a separate unexplained source.

Taxing the same amount again would result in impermissible double taxation of the same income. The Revenue has not placed any material before the Tribunal to demonstrate that the amount of ₹. 10 lakhs added in the earlier assessment year represented a source different from the cash balance relied upon by the assessee in the present year. Therefore, the assessee was entitled to relief of ₹. 10 lakhs on this account.

TDS at 2% u/s 194C on Google AdWords payments upheld as automated ad platform is not FTS: ITAT

Facts of the Case: Deputy Commissioner of Income-tax vs. Head Digital Works (P.) Ltd. [2026] (Hyderabad - Trib.)

The assessee was a company engaged in operating an online gaming website. During the relevant previous year, the assessee purchased online advertising under the "Google AdWords" Program through Google India Private Limited to display sponsored links and digital advertisements for its business. The assessee deducted tax at source @ 2% under section 194C, treating the transaction as a contract for work (advertising). During the survey proceedings, the Assessing Officer (AO) held that the payment was for technical services. Accordingly, the assessee should have deducted tax @ 10% instead of 2%. Accordingly, he treated the assessee as in default and raised a demand for short deduction of tax. The CIT(A) deleted the additions made by the AO.

Decision of Case : Aggrieved by the order, the AO filed the instant appeal before the Tribunal. The Tribunal held that, to be characterised as "Fee for Technical Services" under section 194J, the services rendered must be managerial, technical, or consultancy in nature. It is a well-established judicial proposition that technical services require the application of human skills, intelligence, or direct human intervention. The mere use of highly sophisticated, automated technology, facilities, or standard software interfaces by the consumer does not mean that the service provider is rendering technical services to the customer.

The Google AdWords platform is a standard, automated, self-service portal. The advertiser logs in, selects keywords, sets budgets, and uploads ad copy. The matching of keywords to search terms, the auctioning of ad rank, and the final publishing of the ad are all managed automatically via Google's complex, packaged algorithm. The presence of a sophisticated algorithmic system for automated technology does not equate to rendering technical services. The consumer is merely using an automated facility to purchase advertising space.

Further, the advertising contract is specifically covered by section 194C, which includes such contracts. Since the Legislature has consciously and intentionally made advertising the subject matter of section 194C, it cannot be brought within the ambit of section 194J. If a particular item is specifically characterised in a particular section, that characterisation will override the provisions of a general section.

Tax Calendar

Indirect Tax

July 18, 2026	CMP-08 (April-June)
July 20, 2026	GSTR -3B (June '26)
	GSTR-5 (June '26)
	GSTR-5A
	GST PMT 08 (June '26)
July 24, 2026	GSTR -3B (April–June 2026).
July 28, 2026	GSTR 11 (June '26)

Direct Tax

Due Date.	Return.
July 30th, 2026	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 June, 2026
July 31st, 2026	Filing of quarterly statement of tax deposited in Form No. 142 (Income-tax Rules 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income-tax Act, 2025 to be furnished by an Exchange for the quarter ending June 30, 2026
	Filing of quarterly statement of collection of tax at source under section 397(3)(b) of the Income-tax Act, 2025 in Form No. 143 (Income-tax Rules 2026) for the quarter ending June 30, 2026
	Furnishing of certificate in Form No. 10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under section 80QQB (Income-tax Act, 1961) in respect of royalty income (if the assessee is required to submit return of income on or before July 31, 2026)
	Furnishing of certificate in Form No. 10CCE (Income-tax Rules, 1962) by a resident individual being a patentee claiming deduction under section 80RRB (Income-tax Act, 1961) in respect of royalty income on patents (if the assessee is required to submit return of income on or before July 31, 2026)
	Furnishing of certificate of foreign inward remittance in Form No. 10H (Income-tax Rules, 1962) by a resident individual being an author/patentee claiming deduction under Section 80QQB/80RRB (Income-tax Act, 1961) in respect of income earned from any source outside India (if the assessee is required to submit the return of income on or before July 31, 2026)
	Furnishing of Form No. 10E (Income-tax Rules, 1962) by an employee claiming relief under section 89 (Income-tax Act, 1961) when salary is paid in arrears or in advance, etc. (if the assessee is required to submit the return of income on or before July 31, 2026)

Due Date.	Return.
	Filing of quarterly statement of TDS in Form No. 144 (Income-tax Rules 2026) in respect of payments other than salary made to non-residents for quarter ending June 30, 2026
	Furnishing of statement in Form No. 3AF (Income-tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before August 31, 2026)
	Furnishing of the certificate in Form No. 10-IA (Income-tax Rules, 1962) from the medical authority certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' or 'multiple disability' for the purposes of sections 80DD and 80U (Income-tax Act, 1961). (if the assessee is required to submit the return of income on or before July 31, 2026)
	Due date for furnishing the return of income for the Assessment Year 2026–27 by an assessee, other than the following: • An assessee, including a partner of a firm 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 apply; • 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; • An assessee having income from business or profession whose accounts are not required to be audited, and to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; and • A partner of a firm whose accounts are not 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.
	Intimation in Form No. 175 (Income-tax Rules, 2026) by a pension fund in respect of each investment made in India for quarter ending June, 2026
	Furnishing of declaration in Form No. 10BA (Income-tax Rules, 1962) by an assessee claiming deduction under Section 80GG (Income-tax Act, 1961) in respect of the rent paid for residential accommodation (if the assessee is required to submit the return of income on or before July 31, 2026)
	Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for quarter ending June, 2026
	Furnishing of certificate in Form No. 10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under section 80QQB (Income-tax Act, 1961) in respect of royalty income (if the assessee is required to submit return of income on or before July 31, 2026)

Due Date.	Return.
	Furnishing of Form No. 5C (Income-tax Rules, 1962) containing details of attribution of capital gain taxable under section 45(4) (Income-tax Act, 1961) to the capital asset remaining with the firm, AOP, or BOI after reconstitution (if the firm, AOP, or BOI is required to furnish return of income on or before July 31, 2026)
	Furnishing of Form No. 10BBD (Income-tax Rules, 1962) reporting details of funds received from eligible persons, directly or through an Alternative Investment Fund, during the Previous Year 2025-26 (if the assessee is required to submit return of income on or before July 31, 2026)
	Furnishing of certificate in Form No. 10CCE (Income-tax Rules, 1962) by a resident individual being a patentee claiming deduction under section 80RRB (Income-tax Act, 1961) in respect of royalty income on patents (if the assessee is required to submit return of income on or before July 31, 2026)
	Furnishing of Form No. 3CT (Income-tax Rules, 1962) by the transferor of shares or interests in, a company or an entity that derives its value substantially from assets located in India, duly certified by an accountant for apportionment of income attributable to assets located in India. (if the assessee is required to submit the return of income on or before July 31, 2026)
	Furnishing of statement in Form No. 3AF (Income-tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before August 31, 2026) Relevant Content
	Filing of quarterly statement in Form No. 138 (Income-tax Rules 2026) by employers responsible for TDS from salaries paid to employees under section 392 or by a specified bank in respect of income paid to a specified senior citizen under section 393(1) [Table: Sl. No. 8(iii)] of the Income-tax Act, 2025, for the quarter ending June 30, 2026

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Impact of GST on Real Estate

Insight into Customs-Procedure & Practice

Input Tax Credit and In depth Discussion

Taxation on Co-operative Sector

Guidance notes on Preparation and Filing of Form GSTR 9 and 9C

Guidance Note on Anti Profiteering

Handbook on GST on Service Sector

Handbook on Works Contract under GST

Handbook on Impact of GST on MSME Sector

Assessment under the Income Tax Law

Impact on GST on Education Sector

International Taxation and Transfer Pricing

Handbook on E-Way Bill

Handbook on Filing of Returns

Handbook on Special Economic Zone and Export Oriented Units

For E-Publications, Please Visit Taxation Portal
https://icmai.in/TaxationPortal/

TAXATION COMMITTEES - PLAN OF ACTION

Proposed Action Plan:

1. Successfully conduct all Taxation Courses.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/ registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

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