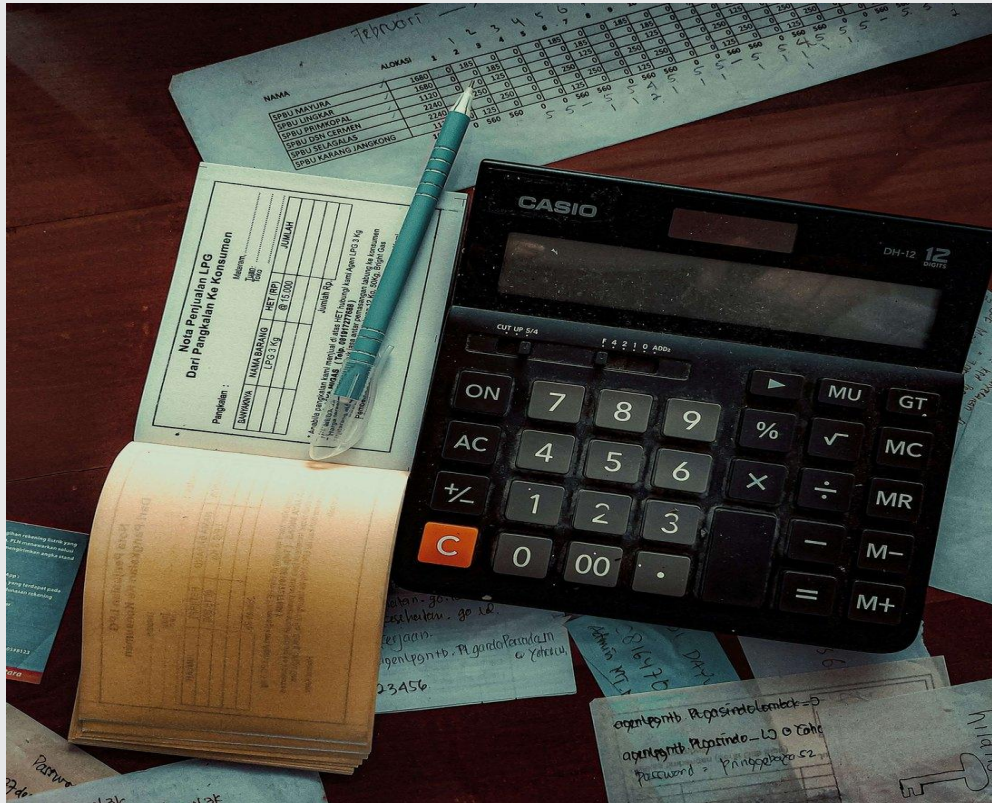


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ecosystem. The RBI has cancelled the Certificates of Registration of five NBFCs, while eight others surrendered their registrations for various reasons, including mergers and dissolution. Meanwhile, bank credit growth reached an eight-quarter high, outpacing deposit growth and widening the credit-deposit gap, with lending to NBFCs and the financial sector contributing significantly.

The ICAI is examining private equity investment in non-audit accounting services, while maintaining the independence of assurance functions. It is also evaluating the impact of Artificial Intelligence on the accounting profession and studying global regulatory models for the proposed framework.

Dear Readers,

We welcome you to the Sixty-seventh edition of DevMantra Times for the month of October 2026. In this edition, we bring you a curated overview of the latest legal, regulatory, economic, and business developments shaping India's evolving corporate and financial landscape.

This month's edition highlights significant developments across India's financial and economic ecosystem. Indian banks have raised more than \$127 billion through overseas FX deposits since June, increasing exposure to unhedged dollar-denominated interest

payments. A weaker rupee could raise the cost of these obligations and increase demand for US dollars. India and Saudi Arabia have also entered into a three-year fintech collaboration to promote investment, market access and startup expansion. A new framework introduces a 0.4% MDR on P2M UPI transactions above ₹2,000, capped at ₹300 for transactions of ₹75,000 and above, effective from 15 October. Consumers will not be directly charged the MDR, while GST on the applicable service may be recovered from the recipient subject to contractual and tax provisions. The RBI supports MDR on large-value UPI transactions to strengthen the sustainability of the digital payments'

Indian startups are facing a late-stage funding crunch, with investors demanding smaller funding rounds, lower valuations and stronger operating performance. Space-tech startup GalaxEye has secured a US patent for its satellite imaging technology and plans to deploy a 30-satellite constellation over the next five years. Under Karnataka's "Government First" initiative, selected startups can receive government pilot-project work orders of up to ₹25 lakh each, as part of the Elevate programme under the Karnataka Startup Policy 2025–30. Meanwhile, Fibe has received SEBI approval for a ₹750-crore IPO, with

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existing investors including TPG's The Rise Fund, Norwest Venture Partners, Chiratae Ventures, Piramal Finance and Eight Roads Ventures proposing to sell part of their holdings. JSW One Platforms has filed its DRHP for a ₹3,054-crore IPO, comprising a ₹1,300-crore fresh issue and an OFS of up to ₹1,754 crore. Under the OFS, JSW Steel may sell shares worth up to ₹811 crore, JSW Cement up to ₹123 crore and Mitsui & Co. up to ₹820.01 crore. The fresh issue is intended to support the company's growth and business expansion.

This edition also captures important judicial pronouncements and regulatory developments under the Goods and Services Tax, Income-tax, Corporate Laws, and allied legislations, together with key notifications, circulars, and compliance updates that may have a significant impact on businesses, professionals, and taxpayers.

1. Industry & Economic Updates



\$127 billion deposits raise new rupee risk as banks face future FX interest bills

Editorial Note: Indian banks are facing increased foreign-exchange exposure after raising more than \$127 billion through overseas FX deposits since June, particularly in relation to unhedged future interest payments. The buildup could increase future demand for US dollars, potentially adding pressure on the rupee if the currency weakens further. While some foreign banks have adopted precautionary hedging measures, Indian lenders have reportedly maintained greater exposure. A renewed decline in the rupee could therefore increase the cost of meeting dollar-denominated obligations and intensify demand for foreign currency.

India, Saudi Arabia deepen fintech ties with three-year pact for investment, startup expansion

Editorial Note: India and Saudi Arabia have entered into a three-year collaboration to strengthen their fintech sectors and startup ecosystems, with a focus on improving market access and facilitating investment opportunities. The initiative aims to connect startups and fintech companies with investors in both countries, encouraging cross-border partnerships and business expansion. The collaboration is expected to deepen economic and technology ties between India and Saudi Arabia while creating new

opportunities for emerging businesses.



UPI MDR could cost 47.2 bps with GST for merchants

Editorial Note: A new framework introduces a 0.4% Merchant Discount Rate (MDR) on person-to-merchant (P2M) UPI transactions exceeding Rs. 2,000, subject to a maximum MDR of Rs. 300 for transactions of Rs. 75,000 and above. The framework will take effect from 15 October, while consumers will not be directly charged the MDR. GST on the applicable service is payable by the service provider, who may generally recover the corresponding amount from the recipient of the service, subject to the applicable contractual and tax provisions.

RBI cancels licenses of 5 NBFCs, 8 others surrender registrations

Editorial Note: The Reserve Bank of India (RBI) has cancelled the Certificates of Registration (CoR) of five NBFCs, while eight other NBFCs surrendered their registrations for various business-related reasons. In certain cases, the entities ceased to exist as legal entities following mergers or dissolution. Anagram Industries and CDN Finance also

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surrendered their registrations after meeting the applicable regulatory requirements. These actions form part of the RBI's ongoing regulatory oversight of the NBFC sector.

Bank credit growth hits 8-quarter high, widens funding gap as deposits lag: Report

Editorial Note: Bank credit growth reached a sixteen-month high, outpacing the growth in deposits and thereby widening the credit-deposit gap. The faster expansion in credit was driven significantly by increased lending to the financial sector, particularly NBFCs. Public sector banks also recorded stronger credit growth, although their lending capacity has comparatively less headroom. With competition for household savings remaining intense, sustained deposit mobilization will be critical for banks to support credit expansion while managing funding and liquidity pressures.

RBI backs MDR on large-value UPI transactions, says could help expand UPI acceptance

Editorial Note: The Reserve Bank of India has supported the introduction of Merchant Discount Rate (MDR) on large-value UPI transactions to promote the long-term sustainability of India's digital payments ecosystem. Under the proposed framework, MDR would apply to person-to-merchant (P2M) UPI transactions exceeding ₹2,000, while person-to-person (P2P) transactions

and smaller merchant payments would continue to remain free of MDR. The measure is intended to provide a sustainable revenue framework for payment service providers while preserving the accessibility of digital payments for consumers.

ICAI explores PE funding for consultancy, accounting

Editorial Note: The Institute of Chartered Accountants of India (ICAI) is examining the possibility of allowing private equity investment in non-audit accounting services to support business growth while maintaining the independence of assurance functions. Under the proposed framework, assurance and non-assurance practices would remain structurally separate, with assurance services continuing to operate independently of external investments. An internal committee is studying global models and regulatory frameworks to assess the feasibility of such a structure. ICAI is also evaluating the evolving role of artificial intelligence and its implications for the accounting profession.

2. Startup Updates



India's late-stage funding crunch shrinks cheques, cuts valuations

Editorial Note: Many late-stage startups are now closing funding rounds at smaller ticket sizes and lower valuations than initially discussed during negotiations. Some proposed fundraises have also been shelved as investors take longer to commit capital, demand stronger operating performance and increasingly benchmark valuations against comparable listed companies. With fewer investors willing to lead and price large transactions, fundraising processes are remaining open for longer periods, reflecting a more selective and cautious approach to late-stage startup investments.

Indian space startup GalaxEye wins US patent for satellite imaging technology

Editorial Note: Indian space-tech startup GalaxEye has secured a US patent for its satellite sensor synchronization technology, enabling precise and simultaneous imaging of the Earth, including through cloud cover. The patented technology is expected to strengthen the company's capabilities in the growing Earth-observation and imaging data market. GalaxEye plans to deploy a constellation of 30 satellites over the next five years, marking a significant step in its expansion plans and contributing to the development of India's commercial space technology ecosystem.

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Karnataka government to fund 100 startups with Rs 25 crore for pilot projects in government departments

Editorial Note: Selected startups in Karnataka will be eligible to receive work orders of up to ₹25 lakh each for undertaking pilot projects under the newly introduced "Government First" initiative. The programme has been announced as part of the State's flagship Elevate programme under the Karnataka Startup Policy 2025–30. The initiative aims to provide startups with opportunities to deploy and validate their solutions through government-led pilot projects, while enabling public institutions to access innovative technologies and services.

Fibe gets Sebi approval for Rs 750 crore IPO

Editorial Note: According to Fibe's Draft Red Herring Prospectus (DRHP), several of its major existing investors, including TPG's The Rise Fund, Norwest Venture Partners, Chiratae Ventures, Piramal Finance and Eight Roads Ventures, are proposing to sell part of their holdings as part of the company's public offering. The offer provides an opportunity for these early investors to partially realize their investments through the proposed IPO, while also facilitating broader public participation in Fibe's equity.

JSW, One files DRHP for Rs 3,054-crore IPO

Editorial Note: JSW One Platforms

has filed its Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) for an initial public offering of up to ₹3,054 crore. The proposed IPO comprises a fresh issue of ₹1,300 crore and an offer for sale (OFS) of up to ₹1,754 crore. Under the OFS, JSW Steel may sell shares worth up to ₹811 crore, JSW Cement up to ₹123 crore and existing investor Mitsui & Co. up to ₹820.01 crore. The fresh issue is expected to provide additional capital for the company's growth and business expansion.



Why this Volume of Newsletter is important for reader?

Through the series of this newsletter, we aim at covering all relevant Income Tax, Goods & Service Tax and Companies Act, Start-up Update, notification, circulars and case laws which may directly or indirectly impact our readers.

At DevMantra, it is our utmost priority to help our readers to be informed with respect to the changes in relevant laws for a smoother compliance.

DevMantra was founded based on the unalterable premise of excellence, acuity, integrity and an unwavering commitment to delivery. These principles continue to form the edifice of our approach as an organization, to our clients, our professionals and our community, and this has served us well in our journey so far. This approach has allowed DevMantra to work with and advise the very best clients, both in India and internationally. We encourage our people to strive for excellence and innovation within a meritocratic working environment and support their entrepreneurial spirit. It is our consistent endeavor with our people, to ensure that they imbibe the culture of the firm and form part of the weft and weave of the fabric of DevMantra. Our core values remain the guiding principles for everything we do, and we would like to emphasize "Knowledge" as one of the fundamental beliefs which drive the success of our operations. As we keep on reiterating, Knowledge is our number one priority. We don't count time when it comes to gain any new knowledge or to reinstate the earlier one. Our clients trust our expertise and putting countless hours in keeping ourselves up to date on the subject we are advising on, deserve their trust.

Regards & Best Wishes,
Editorial Team

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3. GST – Judicial Updates



Imposing both late fee and general penalty for delayed annual GST return not allowed as both cover same lapse: HC

Editorial Note: The High Court held that the late fee imposed for the 712-day delay in filing annual returns was valid and sustainable. However, the imposition of a separate general penalty under Section 125 of the CGST Act was not justified after levy of the prescribed late fee for the same default. Relying on *M/s. Kandan Hardware Mart v. Assistant Commissioner (ST) (FAC)*, the Court set aside the impugned order to the extent it imposed the additional penalty under Section 125.

Fixing personal hearing before expiry of reply period specified in SCN violates reasonable opportunity mandate under GST: HC

Editorial Note: The High Court held that cancellation of GST registration was unsustainable where the petitioner had failed to file returns for six months, but the show-cause notice granted 30 days to submit a reply while fixing the personal hearing before expiry of that period. Since the hearing was scheduled

before the petitioner's opportunity to respond had expired, it amounted to an empty formality and violated the principles of natural justice. Accordingly, the cancellation order was set aside, with liberty granted to the petitioner to seek revocation of the cancelled registration in accordance with law.

Detention for alleged reuse of e-way bill unsustainable as no proof of contravention or intention to evade: GSTAT

Editorial Note: The Tribunal held that detention of goods for alleged reuse of an e-way bill could not be justified merely on the basis of an inference drawn from double verification conducted on the same day. As no discrepancy was found in the goods or accompanying documents, and there was no evidence of actual contravention or that the repair bill was fake, the allegation of tax evasion could not be sustained on presumption alone. Accordingly, the penalty imposed in the detention proceedings was held to be unjustified.

ITC denial for GSTR-2A mismatch unsustainable as invoice-wise verification is required under Circular 183/15/2022-GST: GSTAT

Editorial Note: The Tribunal held that denial of ITC on invoices pertaining to FY 2017-18, claimed in FY 2018-19 within the prescribed statutory timeline, could not be sustained merely because the invoices were not reflected in GSTR-

2A. Since GSTR-2A was only a facilitative tool and the authorities had not verified the underlying invoices or payment to suppliers, the ITC claim required proper invoice-wise examination in accordance with the applicable statutory circular. Accordingly, the demand based solely on non-reflection in GSTR-2A was set aside.

Passing GST rate cut benefit via unconditional EGV credit to customer wallets held valid under sec. 171: GSTAT

Editorial Note: The Tribunal held that crediting Electronic Gift Vouchers (EGVs) equivalent to the GST rate-cut differential directly to customers' wallets constituted a valid mode of passing on the benefit under Section 171 of the CGST Act. Since the EGVs were unconditional, traceable, and not subject to expiry or category restrictions, customers could effectively avail the benefit. The anti-profiteering provisions did not prescribe any particular mechanism for passing on such benefit. Accordingly, the objections raised by the DGAP were held to be unsustainable.

GST registration cancellation set aside due to non-speaking order violating natural justice: HC

Editorial Note: The High Court held that cancellation of a GST registration through a non-speaking order, without recording reasons or the requisite satisfaction, violated Article 14 of the Constitution and the

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principles of natural justice. Since the order did not disclose the basis for cancellation or provide adequate reasoning, it was held to be unsustainable. Accordingly, the cancellation order and the consequential appellate order were quashed, and the matter was remanded for fresh adjudication after providing the petitioner a proper opportunity of hearing.

Confirmation of CGST/SGST demand beyond SCN scope unsustainable as orders lacked reasons and mis-attributed tax heads: GSTAT

Editorial Note: The Tribunal held that an ITC demand under Section 73 could not be sustained where the final demand under the CGST and SGST heads was based on a separate working treating ITC of FY 2018-19 as having been claimed in FY 2019-20, without explaining why the original ITC reconciliation was abandoned or how the revised computation was arrived at. Since the adjudicating authority failed to establish the demand with reference to the assessee's books and records, the computation lacked a proper basis. Accordingly, the impugned ITC demand was held to be unsustainable.

GSTN enables filing of appeals against demand orders reflecting NIL or Zero demand: Advisory

Editorial Note: The GSTN has enabled taxpayers to file appeals against NIL/Zero demand orders

where a dispute regarding tax liability exists, even if the disputed amount was paid before issuance of the demand order. Accordingly, taxpayers can now file an appeal in Form GST APL-01 against such orders, providing a mechanism to challenge the underlying tax liability despite there being no outstanding demand in the order.

Same officer conducting audit, issuing SCN and passing adjudication order violated natural justice; fresh adjudication ordered: HC

Editorial Note: The High Court held that where the same officer conducted the audit, issued the show-cause notice and subsequently passed the adjudication order confirming a tax demand in a non-fraud case, the proceedings violated the principles of natural justice. The Court accordingly quashed the adjudication order and directed that the proceedings recommence before a different officer from the stage of submission of reply to the show-cause notice, after providing the assessee a proper opportunity of hearing.

Mandatory biometric Aadhaar authentication for all GST registrations ordered to curb fraud and protect innocents: HC

Editorial Note: The High Court directed GST authorities to ensure mandatory biometric-based Aadhaar authentication for GST registration, noting that incomplete

implementation of the system had allowed fraudulent registrations using stolen or frozen PAN and Aadhaar details. The Court emphasized that stronger identity verification was necessary to prevent revenue loss and protect genuine taxpayers from the consequences of fraudulent registrations. Accordingly, authorities across the country were directed not to permit GST registration without completion of the prescribed biometric Aadhaar authentication.

Refund of ITC cannot be denied on ground of non-finality when appellate order is operative and binding: HC

Editorial Note: The High Court held that where the petitioner had paid and reversed ITC under protest pursuant to an adjudication order, but the appellate authority subsequently set aside the order and allowed the appeal, the refund claim could not be rejected merely because the Department proposed to challenge the appellate decision. The appellate order remained operative and binding unless stayed or modified by a competent authority. Accordingly, the rejection of the refund claim on the ground of non-finality or a proposed departmental appeal was held to be unsustainable.

GSTAT dismisses departmental appeal in e-way bill penalty case as disputed amount below Rs. 20 lakh thresholds

Editorial Note: The Tribunal held that an appeal filed by the State Tax

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Department against an order relating solely to an e-way bill penalty of Rs. 88,074 was not maintainable in view of the prescribed Rs. 20 lakh monetary limit for departmental appeals. As the Department failed to demonstrate any recognised exception or provide a case-specific justification for invoking residual powers despite the low disputed amount, the appeal was dismissed at the threshold for not satisfying the prescribed monetary limit.

Rejection of new GSTIN for non-filing of returns up to old GSTIN cancellation unsustainable as statutory time lapse made return filing impossible: HC

Editorial Note: The High Court held that rejection of a fresh GST registration application solely on the ground of non-filing of returns up to the date of cancellation was unsustainable where the statutory time limit for filing such returns had already expired and no extension was granted. The petitioner could not be compelled to perform an impossible act after expiry of the prescribed period. Accordingly, the authorities were directed to reconsider the registration application, subject to fulfilment of all other applicable conditions.

GST registration cancellation for non-updation of bank details held curable; restoration directed if compliance met: HC

Editorial Note: The High Court held that cancellation of GST registration

merely for failure to update bank account details, following separation from a joint account, was not justified where no fraud, suppression or tax evasion was alleged. Since the lapse was curable by furnishing the correct bank particulars, the petitioner was entitled to an opportunity to establish bona fides. Accordingly, the cancellation was quashed, subject to the petitioner complying with the prescribed requirements, including filing pending returns and payment of outstanding dues, for restoration of registration.

4. Income Tax Regulatory Updates



Penalty u/s 270A not leviable as assessee made full disclosure and DTAA taxability issue was debatable: ITAT

Editorial Note: The Tribunal held that penalty under Section 270A could not be imposed on a Singapore tax resident who had disclosed all material facts relating to advertisement and distribution receipts and claimed non-taxability under the applicable DTAA. As the issue involved a debatable interpretation of the DTAA provisions and there was no concealment or

misrepresentation of facts, the claim could not be treated as under-reporting of income. The Tribunal also noted that the notices and penalty order failed to clearly specify the applicable limb of Section 270A. Accordingly, the CIT(A)'s deletion of the penalty was upheld.

No TDS obligation on estimated year-end provisions without identified payee or ascertained liability: ITAT

Editorial Note: The Tribunal held that year-end provisions made by the assessee-company towards commission, brokerage, rent, contractor payments and professional fees did not attract TDS liability where such provisions were merely estimates and no specific payee had been identified. Since the provisions were reversed in the subsequent year and TDS was deducted when the liabilities actually crystallised, the mere creation of year-end provisions could not trigger an obligation to deduct tax at source. Accordingly, the demand raised under Section 201(1) was deleted.

Capital gains taxable in year of each sale deed as each transfer is separate; AO to recompute to avoid double taxation: ITAT

Editorial Note: The Tribunal held that where an assessee transferred an immovable property through multiple registered sale deeds executed in different years, each

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deed constituted an independent transfer for capital gains purposes. Accordingly, capital gains were taxable in the respective years in which the individual sale deeds were executed, with the computation in each year restricted to the portion of property transferred. However, appropriate relief was to be granted where the same income had inadvertently been taxed in more than one year, thereby avoiding double taxation.

Disallowance u/s 14A r/w Rule 8D cannot be added to book profit for MAT u/s 115JB: HC

Editorial Note: The Tribunal held that a disallowance made under Section 14A read with Rule 8D in respect of expenditure relating to exempt income could not be added back while computing book profit under Section 115JB for MAT purposes. Accordingly, the Section 14A disallowance could not be considered for increasing the book profit under Section 115JB.

Credit for TDS must be allowed to employee even if employer failed to deposit deducted TDS: HC

Editorial Note: The Tribunal held that where salary was received by the assessee and TDS was duly deducted by the employer but not deposited with the Government, the assessee could not be denied credit for such TDS or held responsible for

the employer's default. Accordingly, the demand raised under Section 143(1) by denying TDS credit was directed to be quashed to that extent.

Interest u/s 220(2) chargeable only after demand notice expiry, not from return filing date: HC

Editorial Note: The Court held that the assessee was not entitled to waiver of interest under Clause 2(c) of the CBDT Waiver of Interest Order, 2006, where deductions claimed in the returns were subsequently disallowed. Since the returns had been filed before the favorable High Court judgment and the principal tax liability remained unpaid as per the assessed demand, the conditions for waiver were not satisfied. Accordingly, the rejection of the waiver applications was upheld.

One-day EPF/ESI remittance delay due to technical glitches held within due date; sec. 36(1) (va) deduction allowed: ITAT

Editorial Note: The Tribunal held that a co-operative society was entitled to deduction under Section 36(1) (va) for employees' EPF/ESI contributions for May 2021, where the remittance was delayed by one day due to non-availability of the payment gateway and technical glitches on the EPFO portal beyond the assessee's control. Since the payment was debited from the assessee's bank account on the following day due to these technical

issues, the delay was treated as being within the prescribed due date and the deduction was accordingly allowed.

PCIT rightly revised order u/s 263 as AO failed to examine capitalization of interest on ECBs used for capital assets: ITAT

Editorial Note: The Tribunal held that the PCIT was justified in exercising revisionary jurisdiction under Section 263 where the assessee claimed interest on External Commercial Borrowings (ECBs) as revenue expenditure on the ground that the funds were used for working capital, but failed to substantiate their actual utilisation. Since the AO had also not examined whether the borrowed funds were used for acquiring capital assets, the assessment order was considered erroneous and prejudicial to the interests of Revenue. The revision proceedings were therefore held to be a valid enquiry into the possible capitalization of interest and not a mere fishing or roving enquiry.

Punjab & Haryana High Court strikes down Section 147A of ITA 1961

Editorial Note: The Punjab & Haryana High Court, in *Jyoti Sareen v. Union of India & Ors.*, struck down Section 147A of the Income-tax Act, 1961, which was inserted by the Finance Act, 2026 with retrospective effect from 1 April 2021. The Court held that the provision did not cure the underlying defect concerning the

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issuance of reassessment notices by Jurisdictional Assessing Officers, as the faceless assessment framework under Section 151A and the 2022 Scheme remained unchanged. Consequently, the Court declared Section 147A unconstitutional and also quashed the impugned Section 148 notices issued by the jurisdictional AOs.

CBDT issues guidelines for Registrars and Share Transfer Agents to report Mutual Fund transactions under SFT

Editorial Note: The CBDT has prescribed the format, procedure and guidelines for half-yearly reporting of specified financial transactions (SFT) relating to mutual fund transactions by Registrars and Share Transfer Agents under Section 508 of the Income-tax Act, 2025. The reporting framework is aimed at enabling the Income-tax Department to capture and pre-fill relevant capital gains information in taxpayers' Income Tax Returns, thereby facilitating more accurate reporting and compliance.

TDS credit allowable via rectification u/s 154 if corresponding income offered and TDS reflected in Form 26AS: ITAT

Editorial Note: The Tribunal held that TDS credit could not be denied merely because the assessee had not claimed it in the original return, where the TDS was duly reflected in Form 26AS and the corresponding income had been offered to tax in the relevant year. A subsequent claim

made through a rectification petition under Section 154 was therefore maintainable, subject to verification by the Assessing Officer of the TDS claim and the corresponding income. Accordingly, the assessee was entitled to appropriate TDS credit upon such verification.

Extended due date applies if LLP is required to audit accounts as per LLP Act; loss carry forward allowed: ITAT

Editorial Note: The Tribunal held that an assessee-LLP whose accounts were mandatorily required to be audited under the LLP Act and Rules was entitled to the extended return-filing due date applicable to audit cases under Section 139. Since the LLP had filed its return declaring business loss within the extended due date, the return could not be treated as belated. Accordingly, the assessee was entitled to carry forward the business loss in accordance with law.

No penalty u/s 270A for under-reported income as delay in return filing was due to bona fide audit reasons: ITAT

Editorial Note: The Tribunal held that where a government company could not file its return under Section 139(1) due to delay in completion of its statutory audit and subsequently filed the return in response to a notice under Section 148, the explanation was bona fide. Since the assessment was completed at the returned income without making any

additions, the income declared by the assessee could not be regarded as under-reported income under Section 270A(6)(a). Accordingly, penalty under Section 270A was not sustainable.

CBDT amends Income-tax Rules, 2026 and revises Forms 169 & 171

Editorial Note: The CBDT has notified the Income-tax (Fourth Amendment) Rules, 2026, amending Rules 160, 176 and 225 of the Income-tax Rules, 2026. The amendment extends the due date for furnishing Forms 169 and 171 to 31 March 2027 for persons already registered under the Income-tax Act, 1961. It also revises Forms 169 and 171 relating to registration as a valuer and an authorised income-tax practitioner, respectively, thereby updating the registration framework under the new income-tax law.

CBDT amends Form No. 132 & 141 to cover TDS on immovable property bought from non-residents; removes TAN requirement

Editorial Note: The CBDT has amended the Income-tax Rules, 2026 to provide that a resident individual or HUF purchasing immovable property from a non-resident can deposit and report TDS deducted under Section 393(2) of the Income-tax Act, 2025 through the challan-cum-statement in Form No. 141. A new Schedule E has been

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introduced in Form No. 141 for reporting such transactions, with corresponding changes made to Form No. 132. The amendment is effective from 1 October 2026.

TP adjustment for NCD interest unsustainable as minimum tenure filter lacked economic basis; alternate benchmarks warranted: ITAT

Editorial Note: The Tribunal held that the Transfer Pricing Officer (TPO) was not justified in applying an ad hoc minimum-tenure filter while benchmarking interest paid on 30-year NCDs issued to an Associated Enterprise (AE), particularly when multiple valid comparables were available under the external CUP method. Since the TPO failed to establish an appropriate economic rationale for the additional filter and ignored a valid alternative benchmark, the resulting transfer pricing adjustment was held to be unsustainable.

Statutory depreciation under sec. 32 allowable for insurance company over book depreciation: ITAT

Editorial Note: The Tribunal held that where the income of a general insurance business was computed under Section 44 read with Rule 5 of the First Schedule, depreciation under Section 32 was allowable instead of depreciation as per the books of account. Consequently, the

profit or loss arising on the sale of fixed assets was also required to be adjusted accordingly while computing the taxable income.

CBDT extends due dates for filing tax audit reports and ITRs for AY 2026-27 to Oct. 21 2026, and Nov. 21, 2026

Editorial Note: The CBDT has extended the due date for filing the return of income for AY 2026-27 for assessees whose accounts are required to be audited under Section 139(1) of the Income-tax Act, 1961. The return filing due date has been extended from 31 October 2026 to 21 November 2026. Consequently, the due date for furnishing the tax audit report has also been extended from 30 September 2026 to 21 October 2026, providing additional time for completion of audit and return filing compliances.

Income-tax claims not part of NCLT-approved resolution plan under IBC do not survive post approval: HC

Editorial Note: The Tribunal held that where a corporate debtor underwent insolvency proceedings and the NCLT approved a resolution plan that did not provide for the Income Tax Department's claim relating to the tax arrears in question, such unlodged claims stood extinguished upon approval of the plan. Accordingly, the Income Tax Department could not subsequently raise a fresh claim outside the approved resolution plan against the

assessee. Any tax demand not forming part of the approved plan therefore ceased to survive.

5. Corporate Law Updates



DIN deactivation without opportunity of hearing under sec. 164(2)(b) and Rule 11 invalid; notice quashed: HC

Editorial Note: The Court held that showing a petitioner's DIN as disqualified under Section 164(2)(b) based on internal correspondence, which was neither communicated to the petitioner nor preceded by an opportunity of hearing, was unsustainable. The Court further observed that Section 164 deals with disqualification for appointment or re-appointment as a director and does

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not provide for deactivation of the DIN itself. Accordingly, the website notice showing the DIN as disqualified was set aside.

IFSCA releases Q1 FY 2026-27 Bulletin highlighting sector-wise trends and regulatory developments at GIFT IFSC

Editorial Note: The IFSCA has released its Quarterly Bulletin for Q1 FY 2026-27, covering developments in the International Financial Services Centre (IFSC) at GIFT City, Gujarat, during April–June 2026. The Bulletin provides an overview of business trends, policy and regulatory developments, along with detailed sector-wise data across banking, insurance, capital markets, fund management, leasing, payments and other financial services. It offers a consolidated snapshot of the growth and evolving regulatory landscape of the IFSC during the quarter.

SEBI launches 'Demat 2.0' to test tokenised corporate bonds with instant bond-money settlement

Editorial Note: SEBI has announced the successful launch of "Demat 2.0", a pilot project for the tokenisation of corporate bonds. The initiative introduces a new market infrastructure to test the issuance, holding, trading and settlement of corporate bonds in a tokenised environment. Demat 2.0 is integrated with the RBI's wholesale CBDC through the Unified Market Interface (UMI), enabling atomic settlement,

whereby the securities and corresponding funds are transferred simultaneously. The initiative is aimed at improving the efficiency and speed of transactions in the securities market.

Exchange directed to refund Rs. 10.58 lakh with interest as post-annulment delivery insistence was unjustified: HC

Editorial Note: The Court held that where the appellant had deposited funds for shares purchased through the Exchange but received only partial delivery due to annulment of certain trades following a broker's default, the Exchange could not insist that the appellant accept delivery of shares relating to the annulled trades. Since the trades had already been annulled, the Exchange was directed to refund Rs. 10.58 lakh to the appellant, along with 9% interest from the date of filing of the suit until realisation.

Nominee director not liable under sec. 58A for company's deposit default as not involved or in office on CLB order date: HC

Editorial Note: The Court held that a nominee director representing IFCI, who was not involved in the day-to-day affairs or decisions relating to acceptance of deposits by the company, could not be held personally liable for the company's alleged breach of an order under Section 58A. Since the applicant had also ceased to be a director before

the relevant order dated 29 March 2014, there was no basis to attribute liability to him. Accordingly, the criminal proceedings initiated against the applicant were quashed.

MCA cautions public to verify Nidhi companies before investing, as their deposits are not insured by DICGC

Editorial Note: The Ministry of Corporate Affairs (MCA) has cautioned the public against investing in Nidhi Companies solely on the promise of unusually high returns. As of the advisory, only 395 companies had been declared as Nidhi. Companies intending to operate as Nidhi are required to file Form NDH-4 and comply with the provisions of the Companies Act, 2013 and the Nidhi Rules, 2014. The MCA also highlighted that deposits with Nidhi Companies are not covered by DICGC insurance, and recovery of funds may become difficult in the event of company failure or fraud.

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Tax Compliance Calendar for October 2026

Compliance Due Date	Concerned (Reporting) Period	Compliance	Applicable To
7th October 2026	September 2026	Deposit of TDS and TCS	All deductors and collectors required to deposit TDS/TCS deducted or collected during September 2026.
11th October 2026	September 2026	GSTR-1 (Outward supply return)	Every regular taxable person who is required to furnish details of outward supply every month, is required to furnish monthly statement of outward supply for the month of September, 2026.
13th October 2026	July–September 2026	Invoice Furnishing Facility (IFF)	Every regular taxable person who is required to furnish details of outward supply every quarter, is required to furnish details of outward supply for the quarter July–September, 2026
	September 2026	ISD Return	An Input Service Distributor is required to furnish monthly return of input tax distributed for the month of September, 2026
18th October 2026	July–September 2026	CMP-08	A composition taxable person is required to furnish quarterly statement of payment of composition tax for the quarter ending on 30th September, 2026
20th October 2026	September 2026	GSTR-3B (Summary Return)	A regular taxpayer having aggregate turnover more than Rs. 5 crore in the preceding financial year is required to furnish monthly return for the month of September, 2026.
21st October 2026	AY 2026–27	Extended Due Date of Tax Audit of Accounts	Filing of income tax forms – Tax Audit Report for the year ended March 2026 for those not in transfer pricing audit
22nd October 2026	September 2026	GSTR-3B (Summary Return)	A regular taxpayer having an aggregate turnover of up to Rs. 5 crore in the previous financial year, whose principal place of business is in category A States, is required to furnish monthly return for the month of September, 2026.
24th October 2026	September 2026	GSTR-3B (Summary return)	A regular taxpayer having an aggregate turnover of up to Rs. 5 crore in the previous financial year, whose principal place of business is in category B States, is required to furnish monthly return for the month of September, 2026.
29th October 2026	F.Y. 2025-26	AOC-4	Filing of AOC 4 for Companies for the year ended March 2026 with AGM on 30th September
31st October 2026	AY 2026–27	Tax Audit of Accounts	Audit report under section 44AB for the Assessment Year 2026-27 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E
	AY 2026–27	Form 3CEB	Report to be furnished in Form 3CEB in respect of international transaction and specified domestic transaction
	July–September 2026	TCS Returns	Filing of TCS returns for the quarter ended September 2026
	July–September 2026	TDS Returns	Filing of TDS returns for the quarter ended September 2026

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