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Tax Street

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October 2026

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We are pleased to present the latest edition of Tax Street – our newsletter that covers all the key developments and updates in the realm of taxation in India and across the globe for the month of October 2026.

- The 'Focus Point' outlines International Free Trade Agreement (FTA) rules legally override strict domestic customs rules, ensuring local red tape cannot block treaty-negotiated tariff benefits.
- Under the 'From the Judiciary' section, we provide in brief, the key rulings on important cases, and our take on the same.
- Our 'Tax Talk' provides key updates on the important tax-related news from India and across the globe.
- Under 'Compliance Calendar', we list down the important due dates with regard to direct tax, transfer pricing and indirect tax in the month.

We hope you find our newsletter useful and we look forward to your feedback.

You can write to us at taxstreet@nexdigm.com. We would be happy to hear your thoughts on what more can we include in our newsletter and incorporate your feedback in our future editions.

Warm regards,
The Nexdigm Team

Focus Point

Tiger Global Judgment: Supreme Court redefines TRC and treaty entitlement in India

At a glance

The Supreme Court's Tiger Global ruling holds that a TRC is only a starting point for treaty entitlement. GAAR grandfathering may protect pre-2017 investments, but judicial anti-avoidance principles can still be invoked. Taxpayers must now demonstrate substance, governance and commercial rationale to secure treaty benefits in India.

The Tiger Global verdict: A turning point in India's treaty jurisprudence

The Supreme Court's decision in Authority for Advance Rulings (Income Tax) v. Tiger Global International II Holdings represents one of the most significant developments in India's international tax landscape in recent years. The ruling fundamentally alters long-standing assumptions about the evidentiary value of Tax Residency Certificates (TRCs) and may reshape how treaty benefits are evaluated for cross-border investments.

For decades, investors using Mauritius-based holding structures relied heavily on the principle that possession of a valid TRC was sufficient to establish treaty eligibility under the India–Mauritius Double Taxation Avoidance Agreement (DTAA). The Tiger Global judgment departs from this traditional approach by holding that a TRC is merely a starting point for examining treaty entitlement, not conclusive evidence of eligibility.

The case arose from investments Tiger Global made through Mauritius-incorporated entities in shares of Flipkart Singapore between 2011 and 2015. Upon exiting these investments in 2018 as part of Walmart's acquisition of Flipkart, the taxpayers claimed exemption from Indian capital gains tax under the India–Mauritius DTAA, supported by valid TRCs and grandfathering protection for investments made before 1 April 2017. Nevertheless, the Supreme Court permitted the tax authorities to examine factors beyond the TRC, including effective control, management and commercial substance of the Mauritian entities.

The Court's approach effectively shifts the focus from formal legal compliance to substantive economic reality. It endorsed the Revenue's position that treaty eligibility cannot be established solely through documentary evidence where questions remain about the actual control, independent decision-making or commercial operations of the entity claiming treaty benefits.

Post-Tiger Global landscape: GAAR relief but continued anti-abuse scrutiny

Following the judgment, the Central Board of Direct Taxes (CBDT) issued Circulars 54 and 55, reassuring investors that investments acquired on or before 1 April 2017 would continue to enjoy grandfathering protection from the application of the General Anti-Avoidance Rule (GAAR). However, while GAAR may not apply to such historical investments, the Tiger Global ruling demonstrates that judicial anti-avoidance principles (JAAR) can still be invoked to challenge treaty benefits.

This distinction carries significant implications. Taxpayers previously believed grandfathering protected pre-2017 investments from treaty challenges. The judgment suggests otherwise. Even where GAAR is unavailable, treaty benefits may still be denied if authorities conclude that the structure lacks substantive commercial rationale or genuine economic presence.

As a result, the ruling creates a new risk dimension for taxpayers with historical Mauritius structures, particularly private equity and venture capital investors who commonly used treaty jurisdictions to facilitate investments into India.

Growing uncertainty around treaty claims

One of the most significant concerns arising from the judgment is the absence of clear guidance regarding what additional evidence would be sufficient to establish treaty entitlement beyond a valid TRC. While the Supreme Court clarified that a TRC alone is not determinative, it did not prescribe a definitive standard for demonstrating adequate substance or beneficial ownership.

This lack of objective benchmarks creates uncertainty for taxpayers and tax administrators alike. Tax authorities may now deny treaty benefits despite a valid TRC, citing broader concerns about control, ownership, commercial purpose, or economic substance. Such assessments may vary significantly depending on the facts of each case and the interpretation adopted by individual tax officers.

The result is likely to be increased litigation focused less on legal interpretation and more on factual evaluation. Questions such as the location of strategic decision-making, the role of directors, the conduct of board meetings, assets ownership, and the availability of operational infrastructure may become critical determinants of treaty eligibility. Taxpayers must move away from a “form-driven checklist” approach to a robust “substance audit” trail.

Risks of reassessment and enhanced scrutiny

The judgment’s impact may extend beyond current tax disputes. The article highlights that adverse findings regarding treaty entitlement could become part of a taxpayer's risk profile and potentially trigger reassessment proceedings for earlier years. Tax authorities may rely on such findings as information suggesting that income chargeable to tax escaped assessment under reassessment provisions.

Consequently, denial of treaty benefits in one transaction could have broader ramifications across multiple assessment years and investment structures. Existing arrangements that were previously accepted may come under renewed scrutiny, increasing compliance costs and litigation exposure to multinational investors.

The substance debate and the Mauritius perspective

The Tiger Global ruling also revives the broader debate regarding the meaning of "economic substance." Although the Court emphasized the importance of commercial substance, it did not clearly define the threshold that taxpayers must satisfy. This creates practical difficulties because substance is inherently subjective and may differ across industries, investment models, and business structures.

Importantly, Mauritius itself has robust residency requirements. Under Mauritian tax law, companies seeking a TRC are required to demonstrate that central management and control are exercised in Mauritius, typically through resident directors, local board meetings, maintenance of records, and operational presence. Accordingly, issuing a TRC already involves an assessment by the Mauritian authorities of residence and substance.

The article therefore raises an important policy question: to what extent should Indian authorities revisit or challenge determinations already made by Mauritius competent authorities? This issue may become central to future treaty disputes and discussions between the two jurisdictions.

Implications for future investment structures

The judgment is particularly relevant for private equity and venture capital funds that have historically relied on Mauritius and Singapore holding structures due to tax efficiency, treaty certainty, and investor familiarity. The certainty previously associated with these jurisdictions has now been significantly reduced.

Going forward, investors will likely need to place increased emphasis on demonstrating genuine commercial substance through robust governance frameworks, evidence of local decision-making, operational presence, and comprehensive documentation. Merely meeting legal incorporation requirements may no longer be enough to secure treaty benefits.

To mitigate uncertainty, taxpayers may consider obtaining advance rulings from the Board for Advance Rulings (BAR) or pursuing resolution through the Mutual Agreement Procedure (MAP) under applicable tax treaties. These mechanisms can provide greater certainty regarding the tax treatment of complex cross-border transactions and reduce the likelihood of protracted litigation.

Conclusion

The Tiger Global decision marks the end of the era in which a Tax Residency Certificate was viewed as near-conclusive proof of treaty entitlement. The Supreme Court has reoriented India's treaty jurisprudence toward a substance-driven analysis, empowering tax authorities to look beyond formal documentation and examine the commercial realities underlying investment structures.

While the judgment strengthens the Revenue's ability to address perceived treaty abuse, it also introduces considerable uncertainty by failing to establish clear standards for what constitutes sufficient substance. Consequently, treaty claims are likely to become increasingly fact-specific, leading to a new wave of litigation focused on economic reality, beneficial ownership, and commercial purpose. For international investors, the message is clear: treaty protection can no longer rest solely on a TRC. Demonstrable substance, governance, and commercial rationale will now play a decisive role in securing treaty benefits in India. For international investors, the message is unequivocal: a Tax Residency Certificate opens the door to treaty benefits, but substance, governance, and commercial reality hold the key.

News and Insights (Alerts)

CBIC GST Circulars 257 to 265: Key GST Updates and Clarifications

3 November 2026

https://tinyurl.com/y3taz3fa

GST TRAIL | Key GST Updates for September 2026

5 October 2026

https://tinyurl.com/bdvv5r9a

From the Judiciary

Direct Tax

From The Judiciary | FEMA for Trusts & Mauritius Treaty Eligibility

At a glance

- Farouk Educational Trust (SAFEMA): A charitable trust is a “person” under FEMA; funds recorded as loans cannot be recharacterized as donations; penalty reduced due to charitable purpose.
- Emerging India Focus Funds (Delhi ITAT): TRC is not conclusive; Revenue may examine substance and abuse under LOB; matter remanded for fresh adjudication.

Can a charitable trust be treated as a “person” under FEMA and penalized for accepting long-term funds from NRI trustees?

Farouk Educational Trust v. Enforcement Directorate, SAFEMA, New Delhi

Facts

Farouk Educational Trust (the trust) engaged in educational activities in Puducherry and Tamil Nadu. The trust received an aggregate amount of approximately INR 375.3 million from five of its NRI trustees during FY 2006–07 to FY 2017–18. The trust contended that these amounts were intended to support its charitable objectives; the receipts were consistently reflected in its books of account as loans/advances from trustees. There were no formal loan agreements, no interest was paid, and the amounts remained outstanding for several years and were not repaid within the period prescribed under the FEMA borrowing regulations. Consequently, the Enforcement Directorate (ED) initiated proceedings alleging that the trust had unlawfully accepted and retained borrowings from persons resident outside India in contravention of FEMA provisions.

Assessee Arguments

- The trust contended that a charitable trust does not fall within the definition of a “person” under section 2(u) of FEMA and, therefore, the provisions governing borrowing from persons resident outside India were not applicable to it.
- The trust argued that the amounts received from the NRI trustees were in the nature of voluntary contributions intended to support the trust's educational and charitable activities, and not commercial borrowings or loans.
- The trust further submitted that section 6(3)(e) of FEMA had been omitted by the Finance Act, 2015, and consequently, no proceedings could be continued or sustained on the basis of a provision that no longer existed.
- Without prejudice, it was contended that there was no deliberate or mala fide violation, as the funds were utilized solely for charitable purposes and no personal or commercial benefit was derived from the transactions.

ED’s Arguments

- The ED argued that the trust squarely falls within the ambit of an “artificial juridical person” under section 2(u)(vi) of FEMA and is therefore a “person” liable to comply with FEMA regulations.
- The amounts received from the NRI trustees were consistently disclosed in the trust's audited financial statements as loans/advances, clearly evidencing their character as borrowings rather than donations.
- Since the borrowings remained outstanding beyond the permissible period of three years prescribed under the FEMA Borrowing and Lending in Rupees Regulations, 2000, the trust had committed a clear contravention of FEMA.

- ED also submitted that the omission of section 6(3)(e) did not invalidate the proceedings, as the complaint and adjudication process had been initiated while the provision was still in force.

- Further, FEMA being a civil regulatory statute, proof of mens rea or intention is not required; once the contravention is established, the penalty is liable to follow.

Held

- The SAFEMA Tribunal held that a trust is an artificial juridical person and consequently falls within the definition of a "person" under section 2(u) of FEMA.

- The Tribunal observed that the amounts received from the NRI trustees had been consistently disclosed in the trust's books as loans/advances and therefore could not subsequently be recharacterized as donations.

- Since these borrowings were retained beyond the permissible period prescribed under the FEMA Borrowing and Lending in Rupees Regulations, 2000, the trust was found to have contravened FEMA provisions.

- The ribunal confirmed that because the complaint and Show Cause Notice (SCN) were initiated in 2018, before the notification issued in October 2019 of the Finance Act's omission clause, the action under Section 6(3)(e) was legally sound.

- While affirming the finding of violation, the Tribunal took note of the charitable nature of the trust's activities and the absence of any personal gain and accordingly reduced the penalty from INR 50 million to INR 10 million.

Our Comments

This ruling confirms that a trust is a "person" under FEMA and must comply with foreign exchange regulations. The Tribunal emphasized that the accounting treatment of a transaction is crucial, and funds recorded as loans cannot later be claimed as donations. The case also reiterates that FEMA violations can attract penalties even without wrongful intent, making regulatory compliance essential for charitable trusts.

Where a Tax Residency Certificate (TRC) is not conclusive, should the Revenue prove abuse to invoke the Limitation of Benefits (LOB) clause?

Emerging India Focus Funds [TS-1594-ITAT-2026(DEL)]

Facts

Emerging India Focus Funds, a Mauritius tax resident holding a valid Tax Residency Certificate (TRC) and registered as a Category-I FPI with SEBI, earned capital gains of about INR 2.591 billion on redemption of equity-oriented mutual fund units during AY 2023–24. The assessee claimed exemption under Article 13(4) of the India–Mauritius DTAA. The Revenue denied the exemption and sought to tax the gains under Article 13(3A), while also invoking the Limitation of Benefits (LOB) provisions under Article 27A. A significant factor was the revocation of the Global Business Licence (GBL) of the assessee's management shareholder, Emerging India Fund Management Ltd. (EIFML).

Assessee Arguments

- Units of mutual funds are legally distinct from shares and therefore gains from redemption of mutual fund units cannot be treated as gains from alienation of "shares" under Article 13(3A). Accordingly, Article 13(4) granting exemption should apply.

- The assessee relied on the ITAT ruling in its own case for AY 2022-23, where mutual fund units were held to be different from shares.

- Revocation of the GBL of EIFML did not affect the assessee's own TRC, GBL, FPI registration, or treaty eligibility. The SEBI proceedings resulted only in a monetary settlement and did not prohibit business operations.

- The Revenue could not raise entirely new allegations regarding lack of substance and treaty eligibility at the appellate stage.

Revenue Arguments

- Equity-oriented mutual funds substantially derive value from shares and should be treated akin to shares for purposes of Article 13(3A).

- The assessee lacked commercial substance in Mauritius, having no employees, no physical assets, no office infrastructure, and payment of management fees to related parties that were allegedly not at arm's length (ALP).

- Following revocation of EIFML's license and SEBI findings on "fit and proper" status, the assessee was effectively unmanaged, raising concerns of treaty shopping and conduit arrangements.

- Relying on the Supreme Court's decision in Tiger Global, the Revenue argued that a TRC is only a threshold requirement and not conclusive proof of treaty entitlement.

Held

- The Delhi ITAT followed its earlier decision in the assessee's own case and held that units of equity-oriented mutual funds and shares are distinct instruments. Consequently, gains from redemption of mutual fund units do not automatically fall within Article 13(3A).
- The ITAT observed that after the Supreme Court's ruling in Tiger Global, mere production of a Mauritian TRC is not conclusive and the Revenue is entitled to examine issues of substance, abuse, and applicability of anti-abuse provisions.
- ITAT noted unresolved questions regarding who exercised management and decision-making powers after revocation of EIFML's license and whether the assessee possessed sufficient commercial substance in Mauritius.
- Since the assessee had not been given a proper opportunity to rebut these issues, the ITAT set aside the treaty eligibility and Article 27A questions and remanded the matter to the Assessing Officer for fresh adjudication after granting the assessee an adequate opportunity to be heard.

Our Comments

This ruling is significant as it demonstrates the growing impact of the Supreme Court's Tiger Global decision on Mauritius treaty structures. While the Tribunal reaffirmed that mutual fund units are not equivalent to shares for DTAA purposes, it also clarified that possession of a TRC no longer ends the inquiry. Revenue authorities may now scrutinize the commercial substance, management control, and possible treaty abuse of Mauritius entities. The decision suggests that taxpayers with offshore holding and investment structures should be prepared to substantiate genuine management and operational substance, particularly where LOB or anti-abuse provisions are invoked.

Quotes & Coverage

SC acts tough, questions MCA's control over NCLT
PR name and practice person: Subodh Dandawate
30 Oct 2026
https://tinyurl.com/57833dje

GST Refund Under Inverted Duty Structure: From Rule 89(5) Controversy to a Much-needed Policy Shift
PR name and practice person: Aditya Nadkarni | Director, Indirect Tax
23 Oct 2026
https://tinyurl.com/fz2y4hh9

US tariffs failed to derail India's exports. What is keeping shipments growing?
PR name and practice person: Subodh Dandawate | Associate Director, Corporate Services
19 Oct 2026
https://tinyurl.com/wj68szs2

The GCC Opportunity: Why Global Enterprises Continue to Choose India
PR name and practice person: Aditya Nadkarni | Director, Indirect Tax
13 Oct 2026
https://tinyurl.com/3xmy6j3x

GST refund reforms: Experts differ on potential liquidity gains for India Inc
PR name and practice person: Prabhat Ranjan | Senior Director (Partner)
12 Oct 2026
https://tinyurl.com/2fkxt87m

GST Council Meet 2026: Beyond Rate Cuts, a Landmark Shift Towards Taxpayer Certainty and Trust-Based Enforcement
PR name and practice person: Prabhat Ranjan | Senior Director (Partner)
09 Oct 2026
https://tinyurl.com/5n99wmbr

57th GST Council Meeting Highlights: GST Council reforms to take effect from April 2027
PR name and practice person: Aditya Nadkarni | Director, Indirect Tax
08 Oct 2026
https://tinyurl.com/5xcudmp6

GST council meeting Live Updates: GST Council scraps arrest power of tax officers; raises prosecution threshold to Rs 5 crore from 1 crore, Finance Ministry says
PR name and practice person: Prabhat Ranjan | Senior Director (Partner)
08 Oct 2026
https://tinyurl.com/mvtu7zuu

Indirect Tax

FROM THE JUDICIARY | Customs Valuation of Royalties & GST Interest on Debit Notes

At a glance

- Ericsson (Supreme Court): Royalty for technical know-how/ IP is not includible in customs value where it relates to post-importation activities and is not a condition of sale; extended limitation period also not invocable.
- Gopinath TM (GSTAT): Interest under section 50 applies from the original date of supply, not from the debit note date, for retrospective price escalations on pre-GST supplies.

Additional Director General (Adjudication) v. Ericsson India PVT. LTD

[(2026) 47 Centax 180 (S.C.) | [1 October 2026]

Issue

Whether royalty paid for technical know-how and intellectual property to an overseas group entity should be added to the assessable value of imported components for customs valuation?

Facts

- Ericsson India imported components from its related overseas entity for manufacturing and assembly in India.
- Separately, it paid royalty to LM Ericsson Sweden for use of technical know-how, manufacturing processes, training, and Intellectual Property Rights (IPR).
- The DRI contended that such royalty was required to be added to the value of imported goods under Rule 10(1)(c) of the Customs Valuation Rules, 2007.
- The revenue contended that the royalty was linked to the imported components as it was computed on the sale value of finished products; and the access to the know-how and imports were interconnected, making royalty a condition of sale.
- Further, non-disclosure of royalty arrangements warranted invocation of the extended limitation period.
- However, the taxpayer argued that
  - The royalty was related to post-import manufacturing activities and use of technical know-how in India.
  - The payment of royalty was independent of component imports and not a condition for procurement.
  - Components were sourced not only from Ericsson Sweden but also from unrelated foreign suppliers and domestic vendors, demonstrating that imports were not contingent on payment of royalty.
  - Royalty arrangements were duly disclosed to the authorities through financial statements and transfer pricing documentation and thus the extended period was not invocable.

CESTAT ruling (upheld by the Supreme Court)

- The Hon'ble Tribunal held that the technical co-operation agreements related to technical know-how and intellectual property used in the manufacture and assembly of finished products in India, constituting post-importation activities.
- The royalty payments were not a condition of sale of the imported components, nor did the agreements mandate import of such components as a precondition for access to the technology.
- It was further held that merely including the value of imported components in the royalty computation formula does not establish a nexus between the royalty and the imported goods for customs valuation purposes.
- Accordingly, the royalty paid to LM Ericsson Sweden was held to be non-includible in the assessable value of imported goods under Rule 10(1)(c) of the Customs Valuation Rules, 2007.
- Further, as the royalty arrangements had been disclosed through financial statements and transfer pricing documentation, no suppression of facts was established and the extended limitation period was held to be inapplicable.

Supreme Court decision

The Hon'ble Supreme Court dismissed the Revenue's appeal and affirmed the CESTAT ruling, holding that the royalty payments related to post-importation manufacturing activities and were not a condition of sale of the imported goods. Consequently, such royalty was not includible in the assessable value of the imports.

Our Comments

This is a significant Supreme Court ruling, reaffirming that royalty payments for technical know-how and intellectual property rights are not includible in the customs value of imported goods where such payments relate to post-importation activities and are not a condition of sale of the imports. The mere existence of a royalty arrangement does not automatically trigger customs valuation implications. The judgment provides welcome relief to businesses operating under technology transfer, licensing and IP arrangements, and underscores the importance of carefully structuring agreements to clearly distinguish import transactions from post-importation commercial activities.

Gopinath TM v. Mukand Limited

[(2026) 47 Centax 166 (Tri. – GST – Bengaluru)]

Issue

Whether GST paid on account of a retrospective price escalation for pre-GST supplies attracts interest under Section 50 of the Central Goods and Services Tax Act, 2017 (CGST Act) from the date of issuance of debit notes or from the original date of clearance?

Facts

- Goods were cleared by the taxpayer during April 2017 to June 2017 under the pre-GST regime under contracts containing price escalation clauses.
- Pursuant to upward price revisions, the taxpayer issued debit notes / supplementary invoices in September and October 2018 under Section 142(2)(a) of the CGST Act and voluntarily discharged differential GST.
- The adjudicating authority appropriated the tax so paid and raised a demand for interest under Section 50, along with penalty under Section 122.
- While the Commissioner (Appeals) set aside the demand, the Revenue filed an appeal before the Goods and Services Tax Appellate Tribunal (GSTAT).
- The Revenue contended that the differential tax pertained to the original supplies and, therefore, interest was payable from the original date of supply and not from the date of issuance of the debit notes.
- The taxpayer argued that GST was discharged in the returns for the period in which the debit notes were issued and that Section 142(2)(a), being a transitional provision applicable to pre-GST transactions, treated such supplementary invoices as deemed supplies under the GST regime, thereby negating any liability to interest.

Ruling

- The Tribunal held that section 142(2)(a) merely provides a transitional mechanism for reporting and discharging tax on post-GST price revisions relating to pre-GST supplies and does not extinguish the underlying interest liability.
- The deeming fiction under Section 142(2)(a) is procedural in nature and cannot alter the economic reality that the additional consideration relates to the original supply transaction.
- Sections 34(4) and 39(7) govern the reporting and payment mechanism under GST but do not modify the point in time when the value accrued or the tax liability arose.
- Accordingly, the differential tax was held to relate back to the original period of clearance, and interest under Section 50 was held payable from the original date of supply until the date of payment of tax.
- The Revenue's appeal was consequently allowed on the issue of interest liability.

Our Comments

The present ruling pertains to a scenario where the underlying supplies were made during the erstwhile excise regime, while the corresponding debit notes were issued after the introduction of GST. Nevertheless, tax authorities may seek to rely on the principles laid down in this decision to initiate proceedings even in cases involving supplies made entirely under GST, particularly on the basis that sections 34 and 39 are merely procedural and reporting provisions. Tax authorities may contend that a debit note merely quantifies additional consideration for an already completed supply, and that interest is payable on the resulting differential tax. Accordingly, it remains to be seen whether the authorities will extend the principles emerging from this ruling to GST-era transactions and use them as the basis for future litigation over interest on differential tax discharged through debit notes.

Transfer Pricing

Consumer tariff paid to State discoms is a valid internal CUP for captive power transfers: Mumbai ITAT

Aditya Birla Real Estate Limited
ITA Nos. 7766 & 7767/MUM/2026 for AY 2013-14 and 2016-17 [TS-784-ITAT-2026(Mum)-TP]

The taxpayer, engaged inter alia in cement manufacturing and power generation, operates captive power plants at Raipur. As captive generation fell short of the cement units' requirement, it purchased power from the external State distribution companies. The taxpayer priced the inter-unit transfers, reported as specified domestic transactions (SDT), at the monthly rates paid by the cement units to these distribution companies.

The Ld. Transfer Pricing Officer (TPO), after calling for information under section 133(6), replaced these rates with the rates at which the distribution companies procured power from generating stations and made adjustments of INR 638.9 million and INR 431.0 million, respectively. The Ld. CIT(A) deleted both adjustments, and the Revenue appealed before the Hon'ble Income Tax Appellate Tribunal (ITAT).

Taxpayer's contention

The taxpayer contended that its cement units had actually purchased electricity from independent distribution companies during the same periods, and those contemporaneous purchase rates constituted an internal Comparable Uncontrolled Price (CUP) for the captive supply. It relied on the Supreme Court ruling in Jindal Steel & Power Ltd., the High Court ruling in DCM Shriram Ltd., Rungta Mines Ltd. and the ITAT ruling in Aditya Birla Nuvo Ltd.

Revenue's contention

The Revenue contended that the captive plant, being a generator, should be the tested party and compared with generator-level prices. The consumer tariff of a distribution licensee embeds transmission, wheeling, distribution and network costs, besides the licensee's margin, none of which the captive plant incurs. It argued that after the 2013 amendment, the Explanation to section 80-IA (8), read with section 80A(6), requires the arm's length price to be measured from the seller's standpoint; that Jindal Steel was rendered under the pre-amendment law; and that Sanghi Industries Ltd. supported a generator-side rate.

Held

The Hon'ble ITAT held that the 2013 amendment brings an SDT within the arm's length framework but does not prescribe the comparable. Selection of the CUP remains governed by the transaction-specific requirements of section 92C and Rule 10B, and the word 'or' in the Explanation to section 80-IA(8) neither gives the taxpayer a choice nor mandates a generator-to-generator comparison.

Functional differences between a captive generator and a distribution license are relevant, but the real inquiry is whether they materially affect the price of electricity supplied to the consuming unit. Following DCM Shriram and Rungta Mines, the regulated nature of the tariff and the distribution functions do not, by themselves, exclude the consumer tariff.

The generator-side rates adopted by the Ld. TPO related to a different stage of the supply chain and were not shown to be available to the cement units. The Ld. TPO also did not quantify any adjustment to bridge the distribution-stage differences.

Sanghi Industries was distinguished, as the captive plants had made no sales to third parties at a different rate. The order of the Ld. CIT(A) was upheld and the Revenue's appeals for both years were dismissed.

Our Comments

The ruling supports recipient-side market evidence where the consuming unit actually procures the same product from independent parties. Taxpayers should retain month-wise invoices, tariff orders, and evidence that the captive plant did not make third-party sales at a different rate.

Royalty at the boundary of the arm's length range is ALP under Rule 10CA(5); Nil ALP for intra-group services rejected: Mumbai ITAT

Schueco India Private Limited
ITA No. 6012/MUM/2024 for AY 2021-22 [TS-839-ITAT-2026(Mum)-TP]

The taxpayer, a subsidiary of Schueco International KG, Germany, sells aluminum and steel profile systems, fittings and accessories to fabricators and supports them on system selection, design, workshop layouts and training. It paid royalties of INR 45.5 million at 4% of the net invoice price for know-how, construction drawings, specifications and trademarks, benchmarked under CUP, arriving at a range of 3% to 5%. It also paid INR 12.1 million for three intra-group services, namely SBS (ERP system) services, CPS (customer and project management system) services and administrative support, charged at cost plus 5% and benchmarked under TNMM with the AE as the tested party.

The Ld. TPO determined the ALP of both transactions at nil under the Other Method. The DRP excluded three license agreements, arrived at a range of 3% to 4%, adopted the median of 3%, and sustained a royalty adjustment of INR 11.4 million. It upheld the nil ALP for the services and, alternatively, disallowed the payment under section 37(1).

Taxpayer's contention

The taxpayer contended that it was not a passive distributor and used the licensed know-how in project-level technical support, while its local advertisement spend was routine and created no marketing intangible. As the actual rate of 4% fell within the DRP's own range, Rule 10CA(5) required acceptance. For the services, it furnished agreements, user lists, service tickets, emails and allocation workings based on locations, users and revenue share, and submitted that it had no internal IT team and that the amounts charged were below the allocable cost.

Revenue's contention

Revenue contended that the manufacturer uses manufacturing know-how, not a distributor, and that the taxpayer built the brand in India through its own promotion spend. For the services, related-party agreements and invoices were not adequate proof; time sheets were absent; the charges could include shareholder or duplicative activities; and revenue was not a suitable allocation key for every service.

Held

Royalty: The Hon'ble ITAT held that the view that know-how is relevant only to the manufacturer is not an invariable TP principle, particularly for engineered building systems, and the Ld. TPO had undertaken no analysis of non-routine marketing activity. Under Rule 10CA(4) to (6), the median applies only where the actual price falls outside the range. The 4% rate sat at the upper boundary of the DRP's range of 3% to 4% and was therefore deemed to be the ALP under Rule 10CA(5).

Intra-group services

The need, rendition, benefit, duplication and shareholder activity tests are interconnected, and benefit is judged on reasonable expectation, not hindsight. Once rendition is established, the ALP must be determined through a prescribed method, and the Other Method still requires an objective pricing basis such as a comparable price or quotation. The Ld. TPO had identified none and had aggregated three distinct services to arrive at nil. The absence of timesheets did not discredit allocation keys based on users, locations, and revenue. The adjustment of INR 12.1 million and the alternative section 37(1) disallowance were deleted.

Our Comments

The ruling gives useful clarity on Rule 10CA endpoints and evidence-led service analysis. On intra-group services, it confirms that doubts on benefit or evidence cannot be converted into a nil ALP without a proper pricing exercise. Taxpayers should nonetheless maintain service-wise evidence such as user lists, tickets and allocation workings, as these records were central to the outcome here.

Interest on CCDs cannot be valued at nil by treating the instrument as equity: Mumbai ITAT

HCY Industrial Parks Private Limited
ITA No. 1899/MUM/2026 for Assessment Year (AY) 2022-23 [TS-800-ITAT-2026(Mum)-TP]

The taxpayer, engaged in developing and operating industrial and logistics parks, is a wholly owned subsidiary of ILP Core Ventures III Pte. Ltd., Singapore. It had issued compulsorily convertible debentures (CCDs) to its Associated Enterprise (AE). The instruments carried a 14% coupon, a moratorium, and compulsory conversion after 20 years at fair market value, subject to a floor. Interest of INR 34.0 million paid during the year was benchmarked under the Other Method by comparing the effective rate of 10.50% (after the moratorium) with the SBI PLR of 12.23%.

The Ld. TPO treated the CCDs as equity, determined the ALP of interest at nil and made an adjustment of INR 34.0 million. The Dispute Resolution Panel (DRP) upheld the adjustment and, alternatively, directed disallowance under sections 36(1)(iii) and 37(1). Aggrieved, the taxpayer appealed before the Hon'ble ITAT.

Taxpayer's contention

The taxpayer contended that CCDs remain debt until conversion. Before conversion, the AE has no voting or dividend rights and does not share in any appreciation in equity value, and the number of shares is not fixed at issue but depends on fair market value at conversion. The Ld. TPO could price the interest but could not substitute the transaction with an assumed equity investment.

Revenue's contention

The Revenue contended that the Ld. TPO left the legal form intact and merely priced the funding facility under Rule 10AB, concluding that an unrelated party would not pay interest on an instrument with no obligation to repay principal.

Held

The Hon'ble ITAT observed that although the holder cannot demand repayment in cash, no shares had been allotted during the year, the holder could not vote or receive dividends, and the contractual obligation to pay interest remained in force. The question was the ALP of that current obligation, which a conclusion about eventual equity ownership does not answer.

The authorities had also misstated the terms: the Ld. TPO referred to a 15-year tenure against 20 years in the agreement, and the DRP assumed a fixed conversion ratio whereas the clause linked conversion to future fair market value.

The Other Method requires reference to a same or similar uncontrolled transaction, and the Revenue identified none in which an investor received a nil pre-conversion return. Long tenor, absence of cash redemption and conversion rights are pricing characteristics to be addressed through comparables and adjustments, not proof that the price is zero.

The TP adjustment and the alternative disallowance were deleted. Section 94B and capitalization consequences were remitted for verification.

Our Comments

The ruling is a welcome check on nil-ALP determinations that rest on recharacterizing CCDs as equity, and it underlines that delineation must follow the actual contractual terms. Taxpayers issuing CCDs to AEs should benchmark the coupon using appropriate comparables with suitable adjustments, and keep the accounting treatment, Form 3CEB, and TP documentation consistent with the debt characterization.

Tax Talk
Indian Developments

Direct Tax

India-Mauritius DTAA amended to incorporate the Principal Purpose Test

NOTIFICATION NO. 135/2026
DATED – 13 October 2026

The Central Government, vide Notification No. 135/2026 dated 13 October 2026, has notified the Protocol amending the Convention between India and Mauritius for the avoidance of double taxation and prevention of fiscal evasion (India-Mauritius DTAA). The Protocol was signed on 7 March 2024 and entered into force on 10 August 2026, after both countries completed the prescribed procedures.

The Protocol introduces two significant anti-abuse amendments to the DTAA. First, the existing Preamble has been replaced to expressly state that the purposes of tax treaties are not limited to eliminating double taxation, but also to prevent double nontaxation or reduced taxation, including the inappropriate use of the DTAA by residents of a third country. Second, a new Article 27B titled “Entitlement to Benefits” has been inserted, incorporating the Principal Purpose Test (PPT). Under this provision, treaty benefits for an item of income may be denied where, having regard to all relevant facts and circumstances, it is reasonable to conclude that obtaining such benefit was one of the principal purposes of an arrangement or transaction, unless it is established that granting the benefit would be consistent with the object and purpose of the relevant provisions of the DTAA.

The amendment strengthens the anti-treaty-abuse framework governing cross-border transactions involving Mauritius. Accordingly, taxpayers seeking treaty benefits, including those relating to capital gains, dividends, interest and other income, may need to substantiate the commercial rationale, substance and purpose of the underlying arrangements. The PPT provision does not automatically deny treaty benefits merely because a transaction involves a Mauritius entity; its application depends on the facts and circumstances of the arrangement as well as the object and purpose of the relevant treaty provisions.

Past webinars & Events

Webinar

Finance for SMEs – Transfer Pricing
Partner and Speakers:
West London Chamber of Commerce | Nishant Shah
06 October 2026

Strategic Avenues in Customs: AEO/EMI and SVB
Partner and Speakers:
Indo French Chamber of Commerce and Industry (IFCCI)| Prabhat Ranjan
21 October 2026

Events

UAE Roadshow - Hotel Taj Lands End
Partner and Speakers:
1 Sarwat Advisory Private Limited| Rahul Chedda
27 October 2026

Indirect Tax

Customs. Foreign Trade & SEZ Updates

At a glance

- Customs: India–New Zealand FTA tariff concessions and origin rules; power bank clarification; EDF authentication; BIS registration for screen protectors.
- Foreign Trade: PSIC exemption for metal scrap imports clarified.
- SEZ: Framework for re-import of duty-paid DTA supplies.
- Global: Uruguay VAT relief for tourism; Spain e-invoicing; Cyprus reduced VAT for residential solar.

Customs updates

India–New Zealand Free Trade Agreement (Ind-NZ FTA)

First tranche of tariff concessions effective from 20 October 2026

Notification No. 32/2026-Customs dated 16 October 2026

CBIC has notified the first tranche of tariff concessions under the India–New Zealand Free Trade Agreement (Ind-NZ FTA). The notification establishes preferential customs duty treatment for specified goods imported into India from New Zealand, covering concessions in Basic Customs Duty (BCD), Agriculture Infrastructure and Development Cess (AIDC) and Health Cess, as applicable. It grants reduced customs duties and Tariff Rate Quotas (TRQs) for specific New Zealand agricultural and industrial goods.

Transitional Preferential Duty Benefit

Instruction No. 21/2026–Customs dated 19 October 2026

Importers may claim preferential tariff benefits under the India–New Zealand FTA for eligible goods that were either in transit from New Zealand to India or remained under customs control, including bonded warehouses, as of 20 October 2026, the date on which the Agreement entered into force.

Importers can avail these benefits through the post-importation claim mechanism, enabling them to seek concessional duty treatment even for shipments initiated before the FTA's implementation.

Introduction of Customs Tariff (Determination of Origin of Goods under the Free Trade Agreement between India and New Zealand) Rules, 2026

Notification No. 82/2026 -Customs (N.T.) dated 12 October 2026

The Rules will come into force from 20 October 2026, coinciding with the operationalization of the India–New Zealand Free Trade Agreement (Ind-NZ FTA). Importers seeking preferential customs duty benefits under the Ind-NZ FTA must follow the notified rules and product-specific origin requirements to ensure adequate documentation and compliance with the prescribed origin criteria before claiming FTA benefits.

Clarification regarding the scope of the term "Power Bank"

Circular No. 45/2026-Customs dated 9 October 2026

CBIC has clarified that stationary, grid-scale or industrial lithium-ion Battery Energy Storage Systems (BESS) falling under tariff item 8507 60 00 are not covered by the term “power bank” under S. No. 325 of Table I of Notification No. 45/2025-Customs for exclusion from concessional BCD.

For this purpose, “power bank” refers only to lithium-ion battery devices with charging/discharging ports designed to externally charge cellular mobile phones or portable electronic devices. Accordingly, such BESS qualify for the concessional BCD rate of 10%, subject to fulfillment of applicable conditions.

Authentication and forwarding of EDFs at non-EDI Customs locations

Instruction No. 19/2026 – Customs dated 5 October 2026

Effective 1 October 2026, authenticated Export Declaration Forms (EDFs) for exports routed through non-EDI Customs locations must be forwarded by the specified authority, i.e., Commissioners of Customs, to the exporter’s Authorized Dealer (AD) bank.

To enhance authenticity and reduce the risk of forgery, authorities have been advised to transmit EDFs electronically through a single official Government email ID. The RBI is also establishing a centralized nodal mechanism for AD banks to receive authenticated EDFs, with further operational details to be shared separately.

BIS compulsory registration for Screen Protectors for smartphones effective 1 April 2027

Instruction No. 20/2026 – Customs dated 7 October 2026

The Ministry of Electronics and Information Technology (MeitY), vide Gazette Notification S.O. 5190(E) dated 21 September 2026, has included "screen protectors for smartphones" in the Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021, effective 1 April 2027.

Accordingly, manufacturers and importers will be required to obtain BIS registration before placing such products in the Indian market. The CBIC has issued an instruction to sensitize Customs field formations about the upcoming compliance requirement.

Foreign Trade Policy updates

DGFT clarifies PSIC exemption for Metal Scrap Imports

Public Notice No. 35/2026-27 dated 21 October 2026

The DGFT has clarified the scope of the Pre-Shipment Inspection Certificate (PSIC) exemption for imports of metallic waste and scrap originating from designated safe countries/regions, namely the USA, UK, Canada, New Zealand, Australia and the EU. The exemption remains available subject to prescribed conditions, including supplier certification regarding the absence of radioactive materials/explosives, import through specified seaports, and mandatory radiation/explosive checks.

Vide the Public Notice, the Handbook of Procedures, 2023 is amended to set out the scope of the PSIC exemption, including its applicability to eligible consignments cleared through an Inland Container Depot, subject to the specified conditions.

SEZ updates

SEZ units allowed to re-import duty-paid DTA supplies in specified cases

Notification No. G.S.R. 893(E) dated 15 October 2026

The Ministry of Commerce and Industry has issued the Special Economic Zones (Third Amendment) Rules, 2026, amending rule 49 of the SEZ Rules, 2006, to provide a framework for returning duty-paid goods from the DTA to SEZ units in specified circumstances.

- SEZ units can now bring back duty-paid goods supplied to the DTA where the buyer fails to take delivery due to changes in market conditions, fashion trends, or breach of contractual terms.
- The return is subject to prescribed conditions, including identification of goods, non-availment of ITC or other benefits by the DTA buyer, and maintenance of separate auditable inventory records.
- Returned goods may subsequently be re-sold in the DTA on payment of applicable duties, with such supplies being treated as fresh DTA transactions.
- The amendment also provides a framework for the return of goods to SEZ units for repair or warranty purposes, subject to specified timelines and conditions.

Tax Talk
Global Developments

Indirect Tax

VAT & E-invoicing Updates

Uruguay extends application of reduced VAT rate for tourism sector until 30 April 2027

Excerpts from various sources

The Government of Uruguay has extended the 9% VAT reduction on certain tourism-related transactions paid through eligible electronic payment methods until 30 April 2027, to continue supporting the tourism sector. This extends the relief that was previously scheduled to expire on 30 September 2026.

Spain mandates E-invoicing

Excerpts from various sources

Spain has finalized the regulatory framework for its mandatory e-invoicing regime, including the technical and operational requirements. The obligation will be implemented in phases, beginning 6 October 2027 for businesses with turnover exceeding EUR 8 million and 6 October 2028 for all other covered taxpayers.

Cyprus reduces VAT rate for residential photovoltaic systems

Excerpts from various sources

Cyprus introduces a reduced VAT rate of 9% on the supply of photovoltaic systems to residential customers for self-consumption of electricity, effective 16 October 2026. Under the VAT Law, suppliers may apply the reduced rate where the goods or services are supplied on or after the effective date, even if payment was received or a VAT invoice was issued before that date.

Compliance Calendar

Direct Tax

Indirect Tax

7 November 2026

Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from the buyer for the month of October 2026

Due date for deposit of tax deducted/collected for the month of October 2026. However, all sums deducted/collected by an office of the Government shall be paid to the credit of the Central Government on the same day on which tax is paid without production of a challan.

14 November 2026

Issue of certificate in Form No. 132 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act, 2025 for tax deducted at source under Section 393(1) of the Income-tax Act, 2025 [Table Sl. No. 2(i), 3(i), 6(ii) and 8(vi)] for the month of September 2026.

15 November 2026

Due date for furnishing Form No. 137 (Income-tax Rules, 2026) by an office of the Government where TDS/TCS for the month of October 2026 has been paid without producing a challan.

Furnishing of statement in Form 1 (Income-tax Rules, 2026) by the stock exchange for the month of October 2026, in respect of transactions in which client codes were modified after registration in the system.

Issuance of TCS certificate in Form No. 133 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act, 2025 for tax collected at source for the quarter ending 30 September 2026.

Issuance of TDS certificate in Form No. 131 (Income-tax Rules, 2026) for TDS other than on salary, pension or interest income of specified senior citizen under section 393(1) of the Income-tax Act, 2025 for the quarter ending 30 September 2026.

10 November 2026

- GSTR-7 for the month of October 2026 to be filed by persons liable to Tax Deduction at Source (TDS).
- GSTR-8 for the month of October 2026 to be filed by e-commerce operators liable to Tax Collection at Source (TCS).

11 November 2026

- GSTR-1 for the month of October 2026 to be filed by all registered taxpayers not under the QRMP scheme.

13 November 2026

- GSTR-6 for the month of October 2026 to be filed by Input Service Distributors (ISDs).
- GSTR-5 for the month of October 2026 to be filed by non-resident foreign taxpayers.
- Uploading of B2B invoices using the Invoice Furnishing Facility (IFF) under the QRMP scheme for the month of October 2026 by taxpayers with aggregate turnover of up to INR 50 million.

20 November 2026

- GSTR-5A for the month of October 2026 to be filed by non-resident Online Database Access and Retrieval (OIDAR) service providers.
- GSTR-3B for the month of October 2026 to be filed by all registered taxpayers not under the QRMP scheme.

Compliance Calendar

Direct Tax

Indirect Tax

21 November 2026

1 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 31 October 2026).

2 Furnishing of audited accounts in Form No.3CLA (Income-tax Rules, 1962) to the Secretary, Department of Scientific and Industrial Research, in case the company is eligible for deduction under section 35(2AB) (Income-tax Act, 1961) (if the assessee is required to submit return of income on or before 31 October 2026)

3 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/section 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 31 October 2026)

4 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 31 October 2026)

5 Furnishing of certificate 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 31 October 2026)

6 Furnishing of statement in Form No.10-EE (Income-tax Rules, 1962) for exercising the option to claim relief under section 89A (Income-tax Act, 1961) for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption (if the assessee is required to submit the return of income on or before 31 October 2026)

7 Furnishing of report in Form No.10CCF (Income-tax Rules, 1962) certifying that the amount of deduction under section 80LA (Income-tax Act, 1961) has been correctly claimed during the previous year 2025-26 (if the assessee is required to submit return of income on or before 31 October 2026)

8 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 31 October 2026)

Note: The due date for furnishing of Form has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

Due date for furnishing the return of income for the Assessment Year 2026–27 by the following assessees:

- A company to whom the provisions of section 92E of the Income-tax Act, 1961 do not apply;
- An assessee whose accounts are required to be audited, to whom the provisions of section 92E of the Income-tax Act, 1961 do not apply;
- A partner of a firm whose accounts are required to be audited, or the spouse of such partner (where section 5A of the Income-tax Act, 1961 applies), to whom the provisions of section 92E of the Income-tax Act, 1961 do not apply;

Note: The due date for furnishing of return of income for Assessment Year 2026–27 has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

Statement by scientific research association, company, university, college or other association or Indian scientific research company as required by Rules 5D, 5E and 5F of the Income-tax Rules, 1962 (if due date of submission of return of income is 31 October 2026)

9 Furnishing of annual statement in Form No. 10-II (Income-tax Rules, 1962) in respect of exempt income under section 10(23FF) (Income-tax Act, 1961) by specified fund, being a category-III AIF (if assessee is required to submit return of income on or before 31 October 2026)

10 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 31 October 2026)

Compliance Calendar

Direct Tax

Indirect Tax

21 November 2026

11 Furnishing of audit report in Form No. 10BC (Income-tax Rules, 1962) along with particulars forming part of its Annexure by electoral trust

Note: The due date for furnishing of report has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

12 Furnishing of an annual statement of income exempt under section 10(4D) (Income-tax Act, 1961) in Form 10-IG (Income-tax Rules, 1962) (if assessee is required to submit return of income on or before 31 October 2026)

13 Furnishing of an annual statement of income taxable at concessional rate under section 115AD (Income-tax Act, 1961) in Form 10-IH (Income-tax Rules, 1962) (if assessee is required to submit return of income on or before 31 October 2026)

14 Furnishing of the certificate in Form No.62 (Income-tax Rules, 1962) by the amalgamated company, confirming achievement of the prescribed production level and its continuation in subsequent years. (if the company is required to submit return of income on or before 31 October 2026)

15 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 furnish the return of income on or before 31 October 2026)

16 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 section 80DD and section 80U (Income-tax Act, 1961). (If the assessee is required to furnish the return of income on or before 31 October 2026)

17 Furnishing of a certificate, by the Notified Pension Fund, issued by a Chartered Accountant in Form No.10BBC (Income-tax Rules, 1962) in respect of compliance with the provisions of section 10(23FE) (Income-tax Act, 1961)

18 Furnishing of an annual statement of exempt income under section 10(4D) (Income-tax Act, 1961) and income taxable under section 115AD (Income-tax Act, 1961) in Form No.10-IK (Income-tax Rules, 1962) (if assessee is required to submit return of income by 31 October 2026)

19 Furnishing of statement in Form No. 3CFA (Income-tax Rules, 1962) for exercising the option to pay tax at a concessional rate under section 115BBF (Income-tax Act, 1961) for income in the nature of royalty arising from patent developed and registered in India (if the assessee is required to submit return of income by 31 October 2026)

Note: The due date for furnishing of Form has been extended from 31 October 2026 to 21 November 2026, vide Circular No. 07/2026 dated 28 September 2026.

25 November 2026

- Payment of tax through GST PMT-06 by taxpayers under the QRMP scheme for the month of October 2026.

Compliance Calendar

Direct Tax

Indirect Tax

30 November 2026

1 Furnishing of challan-cum-statement in Form No. 141 (Income-tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of October 2026.

2 Furnishing of audited accounts in Form No. 3CLA (Income-tax Rules, 1962) to the Secretary, Department of Scientific and Industrial Research, in case the company is eligible for deduction under section 35(2AB) (Income-tax Act, 1961) (if the assessee is required to submit return of income on or before 30 November 2026)

3 Furnishing of report in Form No. 10CCF (Income-tax Rules, 1962) certifying that the amount of deduction under section 80LA (Income-tax Act, 1961) has been correctly claimed during the previous year 2025-26 (if the assessee is required to submit return of income on or before 30 November 2026)

4 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 furnish the return of income on or before 30 November 2026)

5 Due date for furnishing the return of income for the Assessment Year 2026–27 by an assessee, including a partner of a firm or the spouse of such partner (where section 5A of the Income-tax Act, 1961 applies), who is required to furnish a report under section 92E of the Income-tax Act, 1961.

6 Report in Form No. 3CEAA (Income-tax Rules, 1962) by a constituent entity of an international group for the Accounting Year 2025-26.

7 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 the return of income by 30 November 2026)

8 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 furnish the return of income on or before 30 November 2026)

9 Statement by scientific research association, company, university, college or other association or Indian scientific research company as required by Rules 33, 34 and 35 of the Income-tax Rules, 2026 (if due date of submission of return of income is 30 November 2026)

10 Furnishing of statement in Form No. 3CFA (Income-tax Rules, 1962) for exercising the option to pay tax at a concessional rate under section 115BBF (Income-tax Act, 1961) for income in the nature of royalty arising from patent developed and registered in India (if the assessee is required to submit return of income by 30 November 2026)

11 Furnishing of an annual statement of income exempt under section 10(4D) (Income-tax Act, 1961) in Form 10-IG (Income-tax Rules, 1962) (if the assessee is required to submit return of income on or before 30 November 2026)

12 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 30 November 2026)

13 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 30 November 2026)

14 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 30 November 2026)

15 Furnishing of certificate 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 30 November 2026)

Compliance Calendar

Direct Tax

Indirect Tax

30 November 2026

16 Furnishing of statement in Form No. 10-EE (Income-tax Rules, 1962) for exercising the option to claim relief under section 89A (Income-tax Act, 1961) for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption (if the assessee is required to submit the return of income on or before 30 November 2026)

17 Furnishing of the application in Form No. 3CEFA, Form No. 3CEFB & Form No. 3CEFC (Income-tax Rules, 1962) for opting for Safe Harbor.

18 Furnishing of the certificate in Form No. 62 (Income-tax Rules, 1962) by the amalgamated company, confirming achievement of the prescribed production level and its continuation in subsequent years. (if the company is required to submit return of income on or before 30 November 2026)

19 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 30 November 2026)

20 Furnishing of annual statement in Form No. 10-II (Income-tax Rules, 1962) in respect of exempt income under section 10(23FF) (Income-tax Act, 1961) by specified fund, being a category-III AIF (if assessee is required to submit return of income on or before 30 November 2026)

21 Furnishing of an annual statement of income taxable at concessional rate under section 115AD (Income-tax Act, 1961) in Form 10-IH (Income-tax Rules, 1962) (if assessee is required to submit return of income on or before 30 November 2026)

22 Furnishing of an annual statement of exempt income under section 10(4D) (Income-tax Act, 1961) and income taxable under section 115AD (Income-tax Act, 1961) in Form No. 10-IK (Income-tax Rules, 1962) (if assessee is required to submit return of income by 30 November 2026)

23 Submission of statement of income distributed by venture capital company or venture capital fund in respect of income distributed during the previous year 2025–26 in Form No. 64 (Income-tax Rules, 1962)

24 Electronic submission of statement in Form No. 49C (Income-tax Rules, 1962) by a non-resident under section 285 (Income-tax Act, 1961) having a liaison office in India for the Financial Year 2025-26.

7 December 2026

Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from the buyer for the month of November 2026.

Due date for deposit of tax deducted/collected for the month of November 2026. However, all sums deducted/collected by an office of the Government shall be paid to the credit of the Central Government on the same day on which tax is paid without production of an Income-tax Challan.

10 December 2026

- GSTR-7 for the month of November 2026 to be filed by persons liable to TDS.
- GSTR-8 for the month of November 2026 to be filed by e-commerce operators liable to TCS.

11 December 2026

- GSTR-1 for the month of November 2026 to be filed by all registered taxpayers not under the QRMP scheme.

13 December 2026

- GSTR-6 for the month of November 2026 to be filed by ISDs.
- GSTR-5 for the month of November 2026 to be filed by Non-Resident Foreign Taxpayers.
- Uploading B2B invoices using IFF under the QRMP scheme for the month of November 2026 by taxpayers with aggregate turnover of up to INR 50 million.

Easy Remittance Tool

by Nexdigm



Form 145/146 Automation

- Review of tax position by experts
- Issuance of bulk certificates through Automated tool
- Repository - Access to entire set of documents
- Access to Detailed transaction wise reports
- Representation Support
- Generation 145 bulk files & utility to generate Form A2

About Nexdigm

Nexdigm is a privately held, independent global organization that helps companies across geographies meet the needs of a dynamic business environment. Our focus on problem-solving, supported by our multifunctional expertise, enables us to deliver customized solutions tailored for our clients.

We provide integrated, digitally-driven solutions encompassing Business and Professional Services across industries, helping companies address challenges at all stages of their business lifecycle. Through our direct operations in the USA, Poland, the UAE, and India, we serve a diverse range of client base, spanning multinationals, listed companies, privately-owned companies, and family-owned businesses from over 50 countries. By combining strategic insight with hands-on execution, we help businesses not only develop and optimize strategies but also implement them effectively. Our collaborative approach ensures that we work alongside our clients as partners, translating plans into tangible outcomes that drive growth and efficiency.

At Nexdigm, quality, data privacy, and confidentiality are fundamental to everything we do. We are ISO/IEC 27001 certified for information security and ISO 9001 certified for quality management. Additionally, we comply with GDPR and uphold stringent data protection standards through our Personal Information Management System, implemented under the ISO/IEC 27701:2019 Standard.

We have been recognized over the years by global organizations, including the Everest Group Peak Matrix® Assessment, International Tax Review, World Commerce and Contracting, ISG Provider Lens™ Quadrant Report, International Accounting Bulletin, Avasant RadarView™ Market Assessment, and Global Sourcing Association (GSA) UK.

Nexdigm resonates with our plunge into a new paradigm of business; it is our commitment to **Think Next.**

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