

SPCM & ASSOCIATES

Chartered Accountants





SPCM
LEGAL





SAMĀCĀRA FEBRUARY 2026



SAMĀCĀRA – FEBRUARY 2026

EDITORIAL BOARD AND CONTRIBUTORS

			
CA. Suhas P. Bora	Adv. Sanket S. Bora	Adv. Abhay H. Bora	CA Disha M. Shah

			
CA. Rohan R. Nahar	CA. Siddhant A. Bora	CA. Prerna S. Bora	Mrs. Ruchi R. Bhandari

SAMĀCĀRA – FEBRUARY 2026

Team – SPCM and Associates

CA. Suhas P. Bora
CA. Pradeep M. Katariya
CA. Chetan R Parakh
CA. Manoj R. Jain
CA. Mehul Jain
CA. Tejal A. Jain
CA. Abhay P. Katariya
CA Prerna S. Bora
Ms. Deepali R. Shah
CA Rohan R. Nahar

CA. Nikita Maniyar-Bajaj
CA. Neha L. Shah
CA. Siddhant A. Bora
Mrs. Ruchi R. Bhandari
CA Prerna Surana
CA. Vidhi S. Shah
Mr. Omkar P. Katariya
Mrs. Gauri Dangi
CA Disha Gundesha
CA Dhanshree Lunkad

CA Pratik Chajjed
CA Harsha Jain
CA Sampada Ingale
CA Himali V. Jain
Mrs. Riya Bhandari
CA Purva Munot
CA Nishant Jain
CA Darshan Shah
CA Saurebh Kankariya
CA Sara Shaikh
CA Gajala Mulani

Team – SPCM Legal

Adv. Abhay H. Bora
Adv. Neetaa S. Bora
Adv. Sanket S. Bora
Adv. Vidhi K. Punmiya
Adv. Kirtika R. Jain
Adv. Ameya Das
Adv. Satvika Ramesh
Adv. Siddharam N. Sagare
Adv. Tejal P. Kharkar



SAMĀCĀRA – FEBRUARY 2026

INDEX

SR. NO.	PARTICULARS	PAGE NO.
1.	Editorial	05-08
2.	Glimpse of Events	09-11
3.	Income Tax due date calendar for the month of February, 2026	12-12
4.	GST due dates for the month of February, 2026	13-14
5.	Union Budget 2026: Stability, Manufacturing Push and Policy Maturity	15-16
6.	A critical juncture for faceless tax administration	17-21
7.	GST Update	22-23
8.	GST Amendments in Finance Bill 2026	24-27
9.	The Foreign Assets of Small Taxpayers Disclosure Scheme, 2026	28-32

SAMĀCĀRA – FEBRUARY 2026

EDITORIAL

Dear All,

February is the month where intention meets interpretation.

January helped us align ourselves with Vision 2026. February 2026 places before us the Union Budget—presented on a Sunday and marking the ninth consecutive Budget presented by India’s first woman Finance Minister. Budget 2026 stands out not for dramatic shifts, but for its clarity of direction, policy maturity, and fiscal discipline. This Budget is not disruptive but is deliberate.

Expectations and Outcomes: A Measured Budget

In the run-up to the Budget, I had shared my expectations through Aaj Ka Anand, emphasising the importance of policy stability, fiscal consolidation without compromising growth, a smooth transition to the Income Tax Act, 2025, and enhanced facilitation for compliant taxpayers.

Post Budget, as reflected in views published by the same daily, it is evident that Budget 2026 has largely met these expectations. Hon’ble Finance Minister has consciously avoided populism, chosen continuity over uncertainty, and reinforced confidence in India’s economic and tax framework. The message is clear: **India is prioritizing stability with direction.**

Budget 2026: Predictability as Policy

Tax rates have largely been maintained. Structural reforms have been preferred over frequent amendments. Compliance continues to move towards technology-led, data-driven, and risk-based administration.

For professionals, the signal is unambiguous:

Predictability is now a policy choice—and responsibility follows predictability.

In such an environment, aggressive interpretations lose relevance. Judgement, documentation, and ethical alignment gain importance.

Direct and Indirect Tax Snapshot – January 2026

During January 2026, India's tax collections and policy framework continued to demonstrate stability and resilience. Gross Goods and Services Tax (GST) collections for the month stood at Rs.1,93,384 crore, reflecting a year-on-year growth of 6.2 per cent, as per government sources, indicative of sustained economic activity and improved compliance under the technology-enabled GST regime. On the direct tax front, Budget 2026 has reaffirmed the Government's commitment to policy continuity, fiscal discipline, and simplification, particularly in the context of the forthcoming implementation of the Income Tax Act, 2025. Collectively, these developments underscore the transition towards a transparent, predictable, and compliance-driven tax administration framework.

From Compliance to Conscious Advisory

Budget 2026 reinforces substance over form and long-term planning over short-term optimisation. Initiatives such as Corporate Mitra and enhanced facilitation for compliant taxpayers indicate a gradual shift towards trust-based governance—accompanied by higher expectations of transparency, accuracy, and discipline.

Clients today seek more than technical answers. They seek clarity, confidence, and continuity. Our role is to guide them in aligning tax positions with commercial substance and legislative intent.

This is where advisory maturity matters more than technical brilliance alone.

Professional Engagement Beyond the Firm

It is encouraging that such professional perspectives are finding resonance beyond our organisation.

During February, Adv. Abhay Bora has been invited by the Tax Bar Association to interact with members of the **Global Lawyers Networking – WILL**, reflecting our growing engagement with international legal and tax discourse.

Additionally, I was invited by MTPA on 4th February to share my views on the Direct Tax proposals of Budget 2026, contributing to informed professional dialogue on policy and practice.

These engagements reaffirm a simple truth: credibility is built quietly—through consistency, competence, and ethical conduct.

Vision 2026 in Action

Our Vision— *“Rooted in Ethics. Driven by Excellence”*—finds strong alignment with the philosophy of this Budget. This is not a year for shortcuts. It is a year for quiet competence, structured advisory, and disciplined execution.

February must convert study into strategy, analysis into actionable guidance, and discussions into well-documented outcomes.

A Thought to Carry Forward

A stable Budget places a mirror before professionals.

Are we merely compliant—or consciously responsible?

As we move ahead, let us remember:

“यथा कर्म तथा फल”

(As the action, so the result.)

Let our actions—ethical, precise, and thoughtful—define the value we create for our clients, our firm, and the profession.

Thanking You,

With Warm Regards,



CA. Suhas P. Bora
Founder Partner,
SPCM and Associates,
Chartered Accountants



GLIMPSE OF EVENT

Our mentor, CA Suhas P. Bora sir's expectations from Budget 2026 published in the daily newspaper Aaj Ka Anand.

विकास, स्थिरता और वैश्विक नेतृत्व की ओर भारत का निर्णायक मोड़

सीए सुहास पी. बोरा ने बजट 2026 के बारे में व्यक्त की अपेक्षाएं कर सुधार, निवेश, विनिर्माण, निर्यात, हरित ऊर्जा बनेंगे प्रमुख स्तंभ

श्रीवाजीनगर, 30 जनवरी (आज का आनंद न्यूज नेटवर्क) विचार (1 फरवरी) को पेश होने वाला केंद्रीय बजट विकास और वित्तीय अनुशासन के बीच संतुलन स्थापित करने की चुनौती के साथ आएगा। वैश्विक महंगाई, भू-राजनीतिक तनाव और तेज तकनीकी बदलावों के बीच भारत के सामने अवसर भी हैं और अपेक्षाएं भी। आर्थिक संवर्धन सरकार की प्राथमिकताओं का संकेत देगा, लेकिन कर सुधार, निवेश, विनिर्माण, निर्यात और हरित ऊर्जा इस बजट के प्रमुख स्तंभ बनने की संभावना है, ऐसी राय पुणे के प्रसिद्ध चार्टर्ड एकाउंटेंट सुहास पी. बोरा ने रखी है। उन्होंने अपने कुछ सुझाव, विचार और अपेक्षाएं व्यक्त की हैं।

क्या बजट 2026 भारत की आर्थिक

उद्घन को नई ऊंचाई देगा...? क्या यह मध्यम वर्ग को राहत, उद्योगों को गति और निवेशकों को भरोसा दे पाएगा...? ऐसे समय में जब दुनिया आर्थिक अनिश्चितताओं से जूझ रही है, यह बजट केवल आंकड़ों का दस्तावेज नहीं बल्कि भारत के भविष्य की दिशा तय करने वाला एक महत्वपूर्ण नीति-संकल्प है।

सीए सुहास बोरा ने कहा, नए आयकर कानून के 1 अप्रैल 2026 से लागू होने के कारण बड़े कर स्तंभ बदलाव की संभावना कम मानी जा रही है। सरकार का ध्यान कर प्रणाली को अधिक सरल और पारदर्शी बनाने पर हो सकता है। महंगाई के प्रभाव को देखते हुए स्टैबल डिडब्लयन को 75,000 रुपये से बढ़ाकर 1 लाख रुपये करने की उम्मीद है। वहीं 30% टैक्स स्तंभ की सीमा बढ़ाने की मांग भी लगातार उठ रही है, जिससे कर्दादाओं की डिस्पोजेबल आय बढ़ सकती है।

धारा 80उ की 1.5 लाख रुपये की सीमा पिछले एक दशक से अपरिवर्तित है; इसे बढ़ाने से बचत और निवेश दोनों को प्रोत्साहन मिलेगा। वहीं नागरिकों के लिए धारा 80ए की सीमा में वृद्धि, स्वास्थ्य



दीर्घकालिक आर्थिक मजबूती की उम्मीद
बजट 2026 से केवल कर राहत की नहीं, बल्कि दीर्घकालिक आर्थिक मजबूती की उम्मीद है। एक ऐसा बजट जो कर प्रणाली को सरल बनाए, उद्योग और निर्यात को गति दे, नवाचार को प्रोत्साहित करे और सतत विकास सुनिश्चित करे। भारत को वैश्विक मंच पर और सशक्त बना सकता है। अब पूरे देश की निगाहें 1 फरवरी पर हैं। यह बजट तय करेगा कि भारत की विकास यात्रा कितनी तेज, समावेशी और टिकाऊ होगी।

- सीए सुहास पी. बोरा, संस्थापक, एसपीसीएम एंड एसोसिएट्स

जैसे उपाय अनुपालन को आसान बना सकते हैं। यदि ऋणविवाद से विभासक जैसी एकभ्रत विवाद समाधान योजना फिर लाई जाती है, तो हजारों मामलों में फंसा राजस्व मुक्त हो सकता है और व्यवसायों को नई शुरुआत का अवसर मिलेगा।

एएसएसई के लिए सुलभ ऋण, मजबूत क्रेडिट गारंटी और छोटे शहरों तक वित्तीय सहायता की पहुंच भारत के विनिर्माण आधार को मजबूत करते हुए

वैश्विक प्रतिस्पर्धा बढ़ा सकती है। सरकार द्वारा पूंजीगत व्यय में 1015% वृद्धि कर इसे लगभग 1212.5 लाख करोड़ तक ले जाने की संभावना है। सड़क, रेल और शहरी विकास पर निवेश रोजगार और आर्थिक गतिविधियों को गति देगा। वहीं, कृषि पर अधिक खर्च, आधुनिक वेयरहाउसिंग और विद्युत सुधार जैसी पहले प्राथमिक आय और मांग को बढ़ा सकती हैं। स्वास्थ्य क्षेत्र में आवश्यक दवाओं और उपकरणों पर शुल्क में कमी तथा धरेलू निर्माण को बढ़ावा उपचार को अधिक सुलभ बना सकता है। कृत्रिम बुद्धिमत्ता, रोबोटिक्स, सौर ऊर्जा, ग्रीन हाइड्रोजन और इलेक्ट्रिक वाहनों पर निवेश भारत को तकनीकी और ऊर्जा नेतृत्व की ओर ले जाएगा। रक्षा उत्पादन में आत्मनिर्भरता रणनीतिक रूप से महत्वपूर्ण बनी रहेगी।

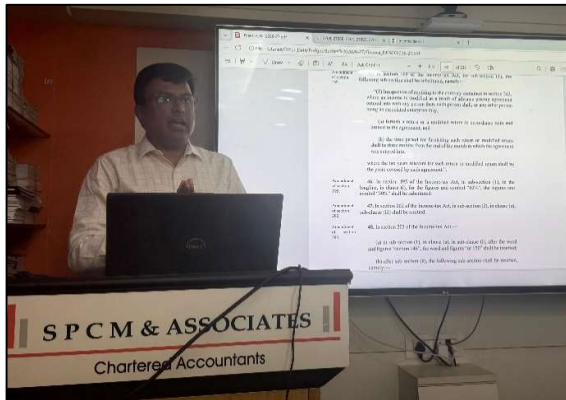
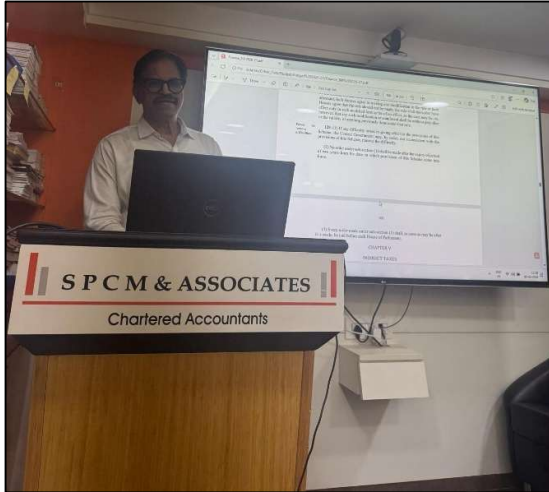
कृषि पर अधिक खर्च, आधुनिक वेयरहाउसिंग और विद्युत सुधार जैसी पहले प्राथमिक आय और मांग को बढ़ा सकती हैं। स्वास्थ्य क्षेत्र में आवश्यक दवाओं और उपकरणों पर शुल्क में कमी तथा धरेलू निर्माण को बढ़ावा उपचार को अधिक सुलभ बना सकता है। कृत्रिम बुद्धिमत्ता, रोबोटिक्स, सौर ऊर्जा, ग्रीन हाइड्रोजन और इलेक्ट्रिक वाहनों पर निवेश भारत को तकनीकी और ऊर्जा नेतृत्व की ओर ले जाएगा। रक्षा उत्पादन में आत्मनिर्भरता रणनीतिक रूप से महत्वपूर्ण बनी रहेगी।

Adv. Abhay H. Bora represented Tax Bar Association at an Interactive Session on Indian Economy, Tariffs War & Working of Taxation Systems (Direct and Indirect Taxation more focus on GST) organized by Tax Bar Association in Association with Worldwide Independent Lawyers League (WILL)





Interactive discussion on the Budget 2026 proposals at SPCM.





Our mentor, CA Suhas P. Bora sir was invited as speaker by the Maharashtra Tax Practitioners' Association jointly with All India Federation of Tax Practitioners (West Zone) to lead the 'Expert Decoding' of the Union Budget 2026-2027 for Direct Taxes.





DUE DATES

Income Tax due date calendar for the month of February 2026:

DATE	DUE DATE FOR
14-02-2026	<ul style="list-style-type: none"> Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of December, 2025.
15-02-2026	<ul style="list-style-type: none"> Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of January, 2026 has been paid without the production of a challan. Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending December 31, 2025

“Self-awareness and self-love matter. Who we are is how we lead”

– Brene Brown.”

GST due dates for the month February 2026: -

DUE DATE	RETURN	PERIOD	DESCRIPTION
10 th February	GSTR-7 (Monthly)	January'26	Summary of Tax Deducted at Source (TDS) and deposited under GST laws.
10 th February	GSTR-8 (Monthly)	January'26	Summary of Tax Collected at Source (TCS) and deposited by E-commerce operators under GST laws.
11 th February	GSTR-1 (Monthly)	January'26	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of January – March 2026.
13 th February	Furnishing Invoices in IFF Facility (Quarterly)	January – March 2026	Taxpayers who have opted for the Invoice Furnishing Facility (IFF) and choose to upload B2B outward supply invoices for first two months of the quarter. The B2B invoices relating to last month of the quarter are too uploaded while filing GSTR – 1 along with B2C invoices of entire quarter.
13 th February	GSTR-5 (Monthly)	January'26	Summary of outward taxable supplies & tax payable by a non-resident taxable person.
13 th February	GSTR-6	January'26	Details of ITC received and distributed by ISD.



DUE DATE	RETURN	PERIOD	DESCRIPTION
20 th February	GSTR-3B (Monthly)	January'26	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of January – March 2026.
20 th February	GSTR-5A (Monthly)	January'26	Summary of outward taxable supplies and tax payable by OIDAR.

***“You can always edit a bad page. You can’t edit
a blank page.”***

— Jodi Picoult.

INCOME TAX**Union Budget 2026: Stability, Manufacturing Push and Policy Maturity**

The Union Budget 2026 marks a decisive shift from reform-heavy disruption to policy consolidation and execution. While it may appear understated at first glance, the Budget reflects a phase of economic maturity where predictability, stability and long-term vision take precedence over headline-grabbing announcements. The overarching narrative is clear: positioning India as a global manufacturing hub, strengthening domestic capacities, and reinforcing investor confidence under the Modi 3.0 vision of “*Badhani Hi Global Pehchan.*”

A significant thrust has been given to import substitution and local manufacturing. Customs duty exemptions have been withdrawn on goods already manufactured in India with negligible imports, thereby protecting domestic industry. At the same time, sector-specific relief—such as extending the export period for leather and textile products from six months to one year, exemption of lithium-ion batteries for BESS projects, and reduction in customs duty on aircraft parts for the MRO sector—signals a calibrated and growth-oriented approach. Simplification of import-export procedures and extending the binding period of advance rulings from three to five years will reduce litigation and enhance certainty for businesses.

From a taxpayer perspective, while major slab restructuring was not expected, there remains a strong sentiment among professionals for targeted relief to salaried employees and retirees. Suggestions such as increasing the standard deduction to ₹1 lakh, easing taxation on NPS withdrawals, and enhancing the long-term capital gains exemption threshold continue to gain relevance in a high-inflation environment.

The Budget also reinforces India’s digital and technology ambitions. A landmark proposal granting a tax holiday until 2047 for foreign companies providing global cloud services using Indian data centre infrastructure is expected to attract massive investment and cement India’s role in global digital services.

In real estate and infrastructure, the government’s commitment of ₹12.2 lakh crore towards capital expenditure sends a strong signal of continuity. The introduction of CPSE-backed REITs, creation of an Infrastructure Risk Guarantee Fund, and focused development of City Economic Regions—especially Tier-3 cities—are expected to unlock land value, improve project viability and expand organized urban growth.

For the insurance and healthcare ecosystem, the absence of disruptive tax changes allows insurers to focus on execution and penetration. Although enhanced relief under Section 80D did not materialize, the emphasis on healthcare infrastructure, critical drug manufacturing and reduced import costs is likely to improve affordability, reduce claim severity and support sustainable insurance pricing over time.

Overall, Budget 2026 is less about surprise and more about confidence, continuity and credibility. It strengthens ease of doing business, rationalizes penalties and prosecution, streamlines TDS/TCS provisions, promotes home-grown accounting firms, and aligns ICDS with Ind AS. The message is clear: India is ready to scale—with youth-driven growth, women empowerment, farmer income enhancement, and a collaborative “*Corporate Mitra*” approach forming the backbone of economic governance.

A CRITICAL JUNCTURE FOR FACELESS TAX ADMINISTRATION

Introduction:

The Finance Bill, 2026 has brought the reassessment framework under the Income-tax Act, 1961 to a critical legal and constitutional crossroads. By proposing the retrospective insertion of Section 147A, effective from 1 April 2021, the legislature has sought to “clarify” the identity of the Assessing Officer (AO) empowered to issue notices under Sections 148 and 148A.

However, this clarification comes against the backdrop of intense judicial scrutiny, conflicting departmental stands, and a pending adjudication before the Hon’ble Supreme Court, following the landmark judgment of the Bombay High Court in Hexaware Technologies Ltd. The amendment raises fundamental questions about legislative intent, faceless governance, retrospective validation, and the limits of parliamentary power in overruling judicial interpretation.

Evolution of Section 151A and the Faceless Reassessment Scheme:

Section 151A of the Act was introduced w.e.f. 01.11.2020, by the TOLA, 2020. This section enables the CG to notify a scheme for reassessment u/s. 147 and the issuance of notices u/s.148 of the Act.

Subsequently, the Finance Act, 2021 significantly expanded the scope of Section 151A by explicitly including:

- Conducting inquiries,
- Issuing show-cause notices,
- Passing orders under Section 148A, and
- Granting sanction under Section 151

within the scheme-making power of the Central Government.

Consequently, the CG issued Notification No. 18/2022 on March 29, 2022, to facilitate the issuance of notices under Section 148 of the Act in a faceless manner.

The Finance Bill, 2026 Memorandum: A Surprising Assertion of Legislative Intent:

The memorandum explaining the provisions in the Finance Bill, 2026, states the following:

“...it was never the intention of the legislature to mandate the NaFAC or the Assessment Units within NaFAC to involve pre-assessment inquiries in any manner, whether for issuing notices under Section 148A or Section 148...”

This statement forms the foundation for the proposed insertion of Section 147A, which seeks to clarify, retrospectively, that for Sections 148 and 148A, the term “Assessing Officer” shall always mean an AO other than those from NaFAC or assessment units under Section 144B.

Fundamental Questions Arising from the Memorandum

The explanation offered by the legislature gives rise to several important questions:

- a) If the legislature never intended NaFAC to conduct pre-assessment inquiries, then why did it specifically amend Section 151A to give the Central Government the authority to notify a scheme related to conducting inquiries and passing orders under Section 148A?
- b) If the legislature never intended NaFAC to conduct pre-assessment inquiries, then why has the department, in the case of Hexaware Technologies Limited (Bom HC) and other cases, argued that FAOs and JAOs have concurrent jurisdiction for issuing notices under Section 148 of the Act? Notably, the Hon’ble Delhi HC in the case of TKS Builders

Pvt. Ltd. ruled in favour of the Department on the ground that both the JAO and FAO possess concurrent jurisdiction.

- c) How can the legislature ascribe to or comment on the objective of a scheme framed by the CBDT?
- d) Can a retrospective amendment bestow jurisdiction to an act which was ultra vires when it was conducted?

The Hexaware Judgment: A Turning Point:

In Hexaware Technologies Ltd. v. ACIT, the Bombay High Court held that Jurisdictional Assessing Officers (JAOs) lacked authority to issue notices under Section 148 under the faceless reassessment regime.

The Court categorically ruled that:

- The Faceless Scheme framed under Section 151A mandates that notices under Section 148 must be issued through automated allocation and in a faceless manner.
- The Scheme clearly envisages issuance of reassessment notices by the National Faceless Assessment Centre (NFAC), and not by the jurisdictional officer.
- There was no enabling power under either Section 151A or the Scheme to permit JAOs to assume jurisdiction for issuing reassessment notices.

This ruling invalidated thousands of reassessment notices issued by jurisdictional officers across the country and triggered appeals by the Revenue. The matter is currently pending adjudication before the Supreme Court, with significant stakes for both taxpayers and the tax administration.

Attempt to Overrule Judicial Interpretation?

In view of above, the proposed amendment is a classic instance of curative or validating legislation, aimed squarely at overcoming adverse judicial precedents. However, unlike procedural clarifications, Section 147A raises deeper concerns because:

- It directly contradicts the explicit language of the Faceless Reassessment Scheme, which mandates automated allocation and faceless issuance of notices under Section 148.
- It retrospectively alters the legal understanding of jurisdiction at a time when the Supreme Court is seized of the issue.
- It seeks to override not merely the outcome, but the ratio and reasoning of High Court judgments by a deemed fiction.

This raises questions about whether Parliament can retrospectively validate jurisdictional defects without simultaneously amending the parent scheme or Section 151A.

Impact on Pending Litigation and Taxpayers

The insertion of Section 147A is likely to have wide-ranging consequences:

- Pending writ petitions and appeals challenging reassessment notices on jurisdictional grounds may face uncertainty.
- Taxpayers who had obtained relief from High Courts may now be confronted with arguments that the defect has been cured retrospectively.
- Fresh litigation is almost inevitable, particularly on the constitutional validity of Section 147A on grounds of arbitrariness, violation of Article 14, and excessive legislative overruling of judicial decisions.

Crucially, the provision affects not just future reassessments but also past notices issued since 1 April 2021, potentially reopening disputes that taxpayers believed had been settled.

Supreme Court's Role Now More Critical Than Ever:

With the matter already pending before the Supreme Court, the insertion of Section 147A adds a new dimension to the dispute.

The Court will now have to examine:

- Whether Parliament can retrospectively redefine jurisdiction in a manner that conflicts with an existing statutory scheme.
- Whether the validating provision cures the defect identified in Hexaware, or merely declares a contrary intent without removing the underlying inconsistency.
- Whether such retrospective clarification unfairly prejudices taxpayers who acted on the law as it stood and as interpreted by constitutional courts.

A Critical Juncture for Faceless Tax Administration:

The faceless assessment regime was introduced to bring transparency, reduce discretion, and eliminate interface between taxpayers and tax officers. Section 147A, however, appears to dilute the faceless architecture in reassessment proceedings, at least retrospectively.

As the Supreme Court deliberates on the legality of JAO-issued reassessment notices, the Finance Bill, 2026 has ensured that the issue is no longer merely interpretational—but constitutional and systemic in nature. For taxpayers, professionals, and the administration alike, the outcome will shape the future contours of reassessment law and the credibility of India's faceless tax reforms.

**GST****GST UPDATES****1. Advisory on Interest Collection and Related Enhancements in GSTR-3B:**

GSTN has introduced system-based enhancements in GSTR-3B for accurate interest calculation on delayed tax payments. The portal now auto-computes interest liability based on tax paid through the electronic cash ledger and reflects it directly in GSTR-3B, reducing manual errors and disputes. Taxpayers are advised to review auto-populated interest figures carefully before filing to ensure correct payment and avoid notices.

2. Advisory on RSP-Based Valuation of Notified Tobacco Goods under GST:

Vide Notification Nos. 19/2025–Central Tax and 20/2025–Central Tax, both dated 31.12.2025, Retail Sale Price (RSP)-based valuation for specified tobacco and tobacco-related products, has been prescribed with effect from 01.02.2026.

3. Advisory on Filing Opt-In Declaration for Specified Premises, 2025:

CBIC has enabled online filing of Opt-In Declarations for “Specified Premises” for hotel accommodation services under GST. The declaration is premises-wise and allows eligible hotels to opt into the specified premises category for a financial year.

Regular GST-registered hotel service providers and new GST applicants (composition dealers, SEZs, TDS/TCS taxpayers excluded) can file the declaration on the GST Portal using prescribed **Annexures**:

- a) **Annexure VII** – Existing registered taxpayers
- b) **Annexure VIII** – New registration applicants
- c) **Annexure IX** – Opt-out declaration

Timelines for filing declaration:

- **For FY 2026-27:** 1 January to 31 March 2026 (existing taxpayers)
- **New registrants:** Within 15 days of ARN generation

Once opted in, the declaration remains valid for subsequent years unless opted out.

When one door of happiness closes, another opens, but often we look so long at the closed door that we do not see the one that has been opened for us.

–Helen Keller

GST Amendments in Finance Bill 2026

The Finance Bill 2026 introduces targeted GST amendments focused on reducing litigation, easing compliance, and speeding up refunds, rather than significant rate changes. Most amendments give effect to recommendations from the 56th GST Council Meeting held in September 2025.

The proposed amendments are as under :

1. Post-Sale Discounts under Section 15 of the CGST Act:

Section 15(3)(b) of the CGST Act is amended to remove the rigid requirement of a pre-existing agreement and specific invoice linkage for post-sale discounts. Businesses can now exclude these discounts from the taxable value using credit notes under Section 34, provided the recipient reverses the corresponding Input Tax Credit (ITC).

Prior to this amendment, post-sale discounts were permitted to be deducted from the value of supply only where such discounts were agreed upon at or before the time of supply and were specifically linked to relevant tax invoices. This requirement often resulted in procedural complexity and disputes arising from strict documentation and linkage conditions.

By removing the requirement of a prior agreement and explicitly linking the treatment of post-sale discounts to the issuance of credit notes under Section 34, the amendment provides clearer guidance on adjustment of liability pertaining to such discounts. This is expected to reduce litigation, enhance compliance, improve ease of doing business, and align the valuation provisions under GST with prevailing commercial practices.

2. Credit Notes under Section 34 of the CGST Act:

Section 34 of the CGST Act is being amended to incorporate a reference to Section 15 of the CGST Act within its provisions. This amendment establishes a clearer linkage between the provisions governing credit notes and debit notes and the valuation of supply under Section 15, thereby ensuring consistency in the treatment of post-sale adjustments.

The inclusion of a reference to Section 15 in Section 34 of the CGST Act strengthens the statutory linkage between valuation provisions and the issuance of credit and debit notes. By explicitly connecting these provisions, the amendment reduces interpretational ambiguities and potential disputes relating to post-sale price adjustments. It is expected to promote uniformity in compliance and ensure greater certainty for taxpayers in respect of valuation and documentation under the GST framework.

3. Provisional Refunds (Sec 54(6) CGST):

Sub-Section (6) of Section 54 of the CGST Act has been amended to extend the facility of provisional refunds to cases where refunds arise on account of an inverted duty structure.

This amendment enables eligible taxpayers to receive provisional refunds pending final verification, even in situations involving accumulation of input tax credit due to higher tax rates on inputs than on output supplies.

Prior to this amendment, provisional refunds were generally restricted to specified categories, and refunds arising from an inverted duty structure were excluded from its scope. This often resulted in delays and working capital blockages for taxpayers operating under such structures.

The extension of provisional refund provisions to inverted duty structure cases is a significant relief measure for intermediary service providers.

4. New Section 101A of the CGST Act regarding Appellate Authority

A new sub-Section (1A) has been inserted in Section 101A of the CGST Act to provide that, pending the constitution of the National Appellate Authority, the Central Government may, by Notification, empower an existing Tribunal to hear appeals under Section 101B of the CGST Act.

It is further provided that where a Tribunal is so empowered under sub-Section (1A), the provisions of sub-Sections (2) to (13) of Section 101A shall not apply.

This amendment shall come into effect from April 01, 2026. The introduction of sub-Section (1A) in Section 101A deals with the existing gap due to the non-constitution of the National Appellate Authority under the GST regime. Without the existence of such a body, taxpayers were left with ambiguity and uncertainty regarding the conflicting Advance Rulings passed by different State Authorities.

4. Section 13 of the IGST Act to Provide for Place of Supply for Intermediary Services.:

Clause (b) of sub-Section (8) of Section 13 of the IGST Act has been omitted. As a result, the place of supply in respect of intermediary services shall now be determined in accordance with the default place of supply provisions contained in sub-Section (2) of Section 13 of the IGST Act.

This amendment removes the special place of supply rule earlier applicable to intermediary services.

This amendment shall come into effect from the date when the same will be notified.

Earlier, intermediary services were subject to a specific place of supply provision which deemed the place of supply to be the location of the supplier. This led to significant disputes, especially in cases involving cross-border

intermediary services, where such supplies were treated as taxable in India even when provided to overseas recipients.

The GST Council, in its 56 GST Council meeting, had recommended omission of clause (b) of Section 13(8) of IGST Act 2017. By bringing intermediary services under the general place of supply rule, the amendment aligns the GST law with the destination-based principle of taxation and international GST/VAT practices.

This change is expected to reduce litigation, provide relief to exporters of services, and enhance India's competitiveness in the global services market.

***If you hear a voice within you say 'you cannot
paint' then by all means paint and that voice
will be silenced.***

– Vincent Van Gogh

FINANCE AND VALUATIONS**The Foreign Assets of Small Taxpayers Disclosure Scheme, 2026**

(Clauses 114–128, Finance Bill 2026-27)

1. Introduction & Rationale:

The **FAST-DS 2026** is a one-time amnesty window specifically designed for "small taxpayers." The government acknowledges that the stringent *Black Money Act, 2015* often ensnares individuals with "legacy or inadvertent non-disclosures," such as:

- Foreign bank accounts opened by students who later returned to India.
- Employee Stock Options (ESOPs) or RSUs granted by foreign employers.
- Assets acquired while working abroad (as a Non-Resident) that were not reported upon return.

This scheme provides a legal path to declare these assets, pay a defined tax/fee, and secure immunity from the severe penalties and prosecution under the Black Money Act.

2. Applicability & Eligibility:**Who Can Apply (Clause 115 & 116):**

The scheme is open to any person who is an **Assessee**, defined as:

- A **Resident** in India for the relevant previous year.

- A **Non-Resident (NR)** or **Not Ordinarily Resident (NOR)**, provided they were **Resident** in the year the undisclosed foreign income was earned or the asset was acquired.

Conditions for Filing (Clause 116):

You can file a declaration if, for any previous year, you:

1. **Failed to file a return** under Section 139 of the Income-tax Act.
2. **Filed a return but failed to disclose** the foreign asset or income.
3. **Have income/assets that escaped assessment.**

Scope of Declaration (Clause 115):

- **Undisclosed Asset:** Any asset (including financial interest) located outside India where the source of investment is unexplained or unsatisfactorily explained.
- **Undisclosed Foreign Income:** Income from a source outside India which has not been offered to tax in India.

3. The Cost of Disclosure (Clause 117):

The scheme classifies non-compliance into two categories with distinct financial consequences.

Category A: Undisclosed Assets & Income (The "60%" Bucket)

- **Target:** General undisclosed foreign assets or income.
- **Limit:** Aggregate value of assets/income must **not exceed ₹1 Crore.**
- **Amount Payable: 60% of the value.**
 - **Tax:** 30% of the value of the asset (as of 31st March 2026) or the income.
 - **Penalty:** 100% of the tax (i.e., another 30%).

- *Total:* 30% (Tax) + 30% (Penalty) = 60% .

Category B: Technical/Reporting Defaults (The "₹1 Lakh" Bucket)

• **Target:**

1. **Assets acquired while Non-Resident:** You bought the asset from foreign income while you were an NR, but failed to declare it in your return (Schedule FA) after becoming a Resident.
 2. **Tax-Paid Assets:** You acquired the asset from income that was **already offered to tax** in India, but you failed to report the asset in the relevant Schedule of your return.
- **Limit:** Value of the asset must **not exceed ₹5 Crores**.
 - **Amount Payable:** A fixed fee of **₹1,00,000 (One Lakh Rupees)** .

4. Procedural Timeline (Clauses 118–119)

The scheme follows a strict, time-bound electronic process:

1. **Declaration:** File the declaration electronically in the prescribed form.
2. **Determination Order:** The authority will verify the declaration and issue an order determining the amount payable within **one month** from the end of the month in which the declaration is filed.
3. **Payment:** You must pay the determined amount within **two months** of receiving the order.
 - *Extension:* You can delay payment by up to **two additional months** by paying simple interest at **1% per month** .
4. **Proof & Certificate:** Submit proof of payment. The authority will issue a certificate accepting the declaration, which serves as conclusive evidence.

5. Immunities & Benefits (Clauses 120–123):

Successful compliance grants the following statutory protections:

- **Tax Shield:** The declared income/asset will **not be included in the total income** of the declarant for any assessment year under the Income-tax Act.
- **Prosecution Immunity:** Complete immunity from penalty and prosecution under the *Black Money Act, 2015* regarding the declared assets.
- **Asset Valuation:** The value of the asset is pegged to its fair market value as of **31st March 2026**.
- **No Reopening:** The declaration will not affect the finality of completed assessments; it cannot be used to reopen past cases.

6. Exclusions (Clause 124):

The scheme is **NOT available** to:

- Persons detained under the **COFEPOSA Act, 1974**.
- Cases where prosecution has been instituted for serious offenses under:
 - Chapter IX or XVII of the Indian Penal Code (Public servants, Property offenses).
 - Narcotic Drugs and Psychotropic Substances Act, 1985.
 - Unlawful Activities (Prevention) Act, 1967.
 - Prevention of Corruption Act, 1988.
- Assets/Income representing "**proceeds of crime**" under the *Prevention of Money-laundering Act, 2002* (PMLA).
- Assessment years where proceedings under the *Black Money Act* have already been completed.

7. Impact on Pending Assessments (Clause 125):

- If you have an assessment pending under the Income-tax Act or Black Money Act, the Assessing Officer **must** take your valid declaration into account.
- The declared asset/income cannot be taxed again in the pending assessment once you have paid the tax/fee under this scheme.

8. Administrative Powers (Clauses 126–128)

- **CBDT Directions:** The Board can issue orders and instructions for the proper administration of the scheme and has the power to relax provisions if necessary.
- **Rule-Making:** The Central Government will notify rules prescribing forms, valuation methods, and payment procedures.
- **Removing Difficulties:** The Central Government can issue orders to remove difficulties in implementing the scheme for up to **two years** from its commencement.

Conclusion:

In short, the **Foreign Assets of Small Taxpayers Disclosure Scheme, 2026** is a critical "clean slate" opportunity for individuals who have inadvertently missed reporting foreign assets like old bank accounts or ESOPs.

Instead of facing the severe prosecution and 120% penalties mandated by the *Black Money Act*, this scheme allows you to regularize your status for a significantly lower cost—**60%** for undisclosed assets or a flat **₹1 Lakh fee** for technical reporting errors.

THANK
YOU!

DISCLAIMER

While every care has been taken in the preparation of this “Samācāra” to ensure its accuracy at the time of publication, SPCM & Associates and/or SPCM Legal assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this alert nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/ substitute professional advice that may be required before acting on any matter. All images, pictures, logos and trademarks appearing in the “Samācāra” are property of their respective owners.