



SPCM & ASSOCIATES
Chartered Accountants



LEGAL

*Building Trust
Through Excellence*



SAMACARA



*The victory of
Good over Evil*



*Embrace
New Beginnings*







**Happy
Navratri**



**Happy
Dussehra**



**Happy
Sharad Purnima**

May the light of these festivals bring happiness, prosperity and new energy to all.

KEY UPDATES FOR THE MONTH



CBDT CIRCULAR

Extension of due date for Tax Audit Report and ITR filing by 21 days.



CHARITY COMMISSIONER

Extension for online submission of financial statements by ITR upto 30 November 2026.



GST COLLECTIONS

September 2026
Gross GST collection ~ ₹2.04 lakh crore (14.7% growth).



SPCM SUCCESS

Completed Tax Audit, Co Audit, Trust Audit and filing of Returns due in September 2026, despite last minute extension.



FESTIVALS THIS MONTH

Navratri (11 Oct 2026)
Dussehra (20 Oct 2026)
Sharad Purnima (25 Oct 2026)



SPCM & ASSOCIATES | SPCM LEGAL

Compliance | Growth | Together



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SAMĀCĀRA – OCTOBER 2026

EDITORIAL

Dear All,

Compliance Completed. Reforms Ahead. Celebrations Begin.

October brings a welcome transition from an exceptionally demanding compliance season to a month of festivals, reflection and new opportunities. September tested the professional fraternity with Tax Audits, Company Audits, Trust Audits and Income-tax Return filings, while the last-minute extension of deadlines added its own challenges.

21-Day Extension – But SPCM Stayed Ahead

The CBDT, through its circular dated 28 September 2026, extended the specified date for furnishing Tax Audit Reports for AY 2026-27 from 30 September to 21 October 2026, and the corresponding Income-tax Return filing due date from 31 October to 21 November 2026.

For SPCM, however, the commitment remained unchanged. I am proud to share that our team successfully completed Tax Audits, Company Audits, Trust Audits and filing of Returns falling due in September 2026, despite the intense workload and the last-minute extension. This achievement

reflects our collective Sincerity, professionalism, and Commitment and, above all, the ownership demonstrated by our entire team.

Trust Compliance – Extended Timeline

The Office of the Charity Commissioner, Maharashtra, through Circular No. 625/2026, has extended the timeline for online submission of Trust Accounts and Audit Reports for FY 2025-26 up to 30 November 2026. The Charity Commissioner's website also lists Circular No. 625 under its recent directions relating to online submission of Trust Accounts.

This additional time should be viewed not merely as an extension but as an opportunity to ensure that the accounts, audit reports and online submissions are completed accurately and well before the revised deadline.

GST – Continuing Strong Momentum

India's gross GST collections for September 2026 stood at ₹2,03,521 crore, registering a 14.7% year-on-year growth. Net GST collections after refunds increased by 18.1% to approximately ₹1.77 lakh crore. Cumulative gross GST collections during April–September 2026 reached ₹12.46 lakh crore, up 11.6% over the corresponding period of the previous year.

The sustained growth in GST collections reflects continued economic activity, improving compliance and the strengthening of India's formal economy.

GST 2.0 – The Next Phase of Reform

The forthcoming 57th GST Council meeting, now scheduled for 8 October 2026, is expected to consider important process and enforcement reforms relating to GST registration, returns, refunds, Input Tax Credit and dispute resolution. Proposals relating to simplifying compliance and rationalising enforcement provisions are also expected to be considered.

These proposed reforms underline an important direction for the future of GST—simpler processes, technology-driven compliance and a more taxpayer-friendly system, while maintaining effective revenue mobilisation.

SPCM at the Tax Policy Dialogue

It is a matter of pride that Adv. Sanket Bora was invited to participate in a Roundtable on “Tax Reform, Revenue Mobilisation and Compliance” on 5 October 2026 at Shardul Amarchand Mangaldas, Express Towers, organised by the Centre for Law, Policy and Governance. The roundtable focused on developing actionable, evidence-based recommendations for the Union Budget 2027–28.

His participation reflects SPCM’s growing engagement not only in professional practice but also in the wider dialogue on tax policy, reforms, revenue mobilisation and strengthening India’s compliance ecosystem. Shardul Amarchand Mangaldas itself has an active tax-policy and advocacy practice that engages with legislative and regulatory developments.

From Compliance to Celebration

October also brings the festive spirit of Navratri, Dussehra and Sharad Purnima. These festivals remind us that every celebration carries a deeper message. Navratri symbolises strength and devotion, Dussehra reminds us of the victory of good over evil, and Sharad Purnima brings the beauty of light, peace and abundance.

After a demanding compliance season, let us take a moment to celebrate our collective achievements, appreciate our teams and families, and begin the next phase with renewed energy and positivity.

**A Month of Completion, Reform and Renewal**

September taught us the value of commitment under pressure. October reminds us that after every demanding phase comes an opportunity to pause, celebrate and prepare for what lies ahead.

At SPCM, our journey continues with the belief that compliance is a responsibility, excellence is a habit, and continuous learning is the foundation of professional growth.

Wishing all our clients, colleagues, students, associates and their families a very Happy Navratri, Dussehra and Sharad Purnima. May the festive season bring happiness, prosperity, wisdom and renewed energy to all.

Thanking You,

With Warm Regards,



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

**GLIMPSE OF EVENT**

It is a matter of pride that Adv. Sanket Bora was invited to participate in a Roundtable on “Tax Reform, Revenue Mobilisation and Compliance” held on 5 October 2026 at Shardul Amarchand Mangaldas, Express Towers, Mumbai, organised by the Centre for Law, Policy and Governance.




DUE DATES

**Income Tax due date calendar for the month of
October -2026**

DATE	DUE DATE FOR
07-October	TDS/TCS Due date for furnishing Form No. 137 (Income-tax Rules, 2026) by an office of the Government where TDS/TCS for the month of September, 2026 has been paid without the production of a challan. Due date for deposit of TDS for the period July 2026 to September 2026 when Assessing Officer has permitted quarterly deposit of TDS under section 392(1) or 393(1) [Table Sl. Nos. (1)(i) and (ii), and 5(ii) and (iii)] of the Income-tax Act, 2025. Due date for deposit of tax deducted/collected for the month of September 2026. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of challan. Other IT Forms Upload the declarations received from recipients in Form No. 121 (Income-tax Rules, 2026) during the quarter ending September, 2026. Uploading of declarations received in Form No. 127 (Income-tax Rules, 2026) from the buyer in the month of September, 2026.

DATE	DUE DATE FOR
15-October	Statement in Form No. 1 (Income-tax Rules, 2026) by the stock exchange for the month of September 2026, in respect of transactions in which client codes have been modified after registering in the system. Furnishing of quarterly statement in Form No. 147 (Income-tax Rules, 2026) to be furnished by an authorised dealer in respect of remittances made for the quarter ending September 30, 2026. Furnishing of quarterly statement in Form No. 148 (Income-tax Rules, 2026) to be furnished by a unit of IFSC, as referred to section section 147(1)(b) of the Income-tax Act, 2025, in respect of remittances made for the quarter ending September 30, 2026. Furnishing of statement in Form No. 92 (Income-tax Rules, 2026) by the specified fund or stock broker in respect of a non-resident referred to in rule 157 for the quarter ending September 30, 2026. TDS/TCS 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) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act 2025 in the month of August, 2026.

DATE	DUE DATE FOR
21-October	Audit Due date for filing of audit report under section 44AB (Income-tax Act, 1961) for the assessment year 2026-27 in the case of a corporate assessee or non-corporate assessee (who is required to submit his/its return of income on October 31, 2026). Furnishing of the audit report in Form No. 10-IL (Income-tax Rules, 1962) by the specified fund, being the investment division of an offshore banking unit, for the purpose of exemption under section 10(4D) (Income-tax Act, 1961) (if assessee is required to submit return of income on or before October 31, 2026). Furnishing report under section 115JC (Income-tax Act, 1961) in Form No. 29C (Income-tax Rules, 1962) for computing Adjusted Total Income and Alternate Minimum Tax of the person other than a company during the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing of Audit Report in Form No. 66 (Income-tax Rules, 1962) by tonnage tax company under clause (ii) of section 115VW (Income-tax Act, 1961) for the previous year 2025-26 (if the company is required to submit return of income on October 31, 2026).



DATE	DUE DATE FOR
	Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE (Income-tax Rules, 1962) under section 35D(4) (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing audit report in Form No. 3AD (Income-tax Rules, 1962) by assessee claiming deduction under section 33ABA (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing audit report in Form No. 3AC (Income-tax Rules, 1962) by assessee claiming deduction under section 33AB (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing of Audit report in Form No. 10B/10BB (Income-tax Rules, 1962) by a fund or trust or institution or any university or other educational institution or any hospital or other medical institution. Furnishing audit report in Form No. 3AC (Income-tax Rules, 1962) by assessee claiming deduction under section 33AB (Income-tax Act, 1961) for the

DATE	DUE DATE FOR
	previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No. 3AE (Income-tax Rules, 1962) under section 35E(6) (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing of audit report in Form no. 3CE (Income-tax Rules, 1962) under section 44DA (Income-tax Act, 1961) by a non-resident and foreign company for the previous year 2025-26 (if the assessee is required to submit return of income on October 31, 2026). Furnishing of Audit Report in Form No. 10CCB (Income-tax Rules, 1962) by assessee claiming deduction under section 80-I, 80-IA, 80-IB or section 80-IC (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before October 31, 2026). Furnishing report in Form No. 10DA (Income-tax Rules, 1962) certifying the claim for additional employee cost under section 80JJAA (Income-tax Act, 1961) during the previous year 2025-26 (if the assessee is required to submit return of income on or before October 31, 2026).

DATE	DUE DATE FOR
	Furnishing of statement in Form No. 3AF (Income-tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before October 31, 2026). Furnishing of certificate in Form No. 10-IJ (Income-tax Rules, 1962) issued by a Chartered Accountant certifying the annual statement of exempt income of the specified fund, being a category-III AIF, under section 10(23FF) (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before October 31, 2026). • Other IT Forms Furnishing of statement in Form No. 3AF (Income-tax Rules, 1962) containing the particulars of expenditures specified under Section 35D(2)(a) (Income-tax Act, 1961) (if the assessee is required to submit the return of income on or before October 31, 2026).
30-October	• TDS/TCS 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 September 2026.

DATE	DUE DATE FOR
31-October	Other IT Forms Intimation in Form II by Sovereign Wealth Fund in respect of investment made in India for quarter ending September 2026. Intimation in Form No. 175 (Income-tax Rules, 2026) by a pension fund in respect of each investment made in India for quarter ending September 2026. Furnishing of Statement in Form No. 98 (Income-tax Rules, 2026) to the concerned Director/Joint Director (Intelligence and Criminal Investigation) containing declaration received in Form No. 97 (Income-tax Rules, 2026) during April 1, 2026 to September 30, 2026. Filing of quarterly statement of tax deposited in Form No. 142 (Income-tax Rules, 2026) in relation to transfer of virtual digital asset under section 393(1) [Table: S. No. 8(vi)] of the Income-tax Act, 2025 to be furnished by an Exchange for the quarter ending September 30, 2026. Furnishing of Form No. 10BBD (Income-tax Rules, 1962) reporting details of funds received from eligible persons, directly or through an Alternative Investment Fund, during the Previous Year 2025-26 (if the assessee is required to submit return of income on or before October 31, 2026).

DATE	DUE DATE FOR
	Furnishing of Form No.3CT (Income-tax Rules, 1962) by the transferor of shares or interests in a company or an entity that derives its value substantially from assets located in India, duly certified by an accountant for apportionment of income attributable to assets located in India (if the assessee is required to submit the return of income on or before October 31, 2026). 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 October 31, 2026). 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). 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 October 31, 2026).



DATE	DUE DATE FOR
	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 October 31, 2026). 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 October 31, 2026). 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 October 31, 2026). 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 October 31, 2026).

DATE	DUE DATE FOR
	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 October 31, 2026). 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 October 31, 2026). 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 October 31, 2026). 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 October 31, 2026). Furnishing of an annual statement of exempt income under Section 10(4D) (Income-tax Act,

DATE	DUE DATE FOR
	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 October 31, 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 October 31, 2026). Furnishing of Form No.10E (Income-tax Rules, 1962) by an employee claiming relief under Section 89 (Income-tax Act, 1961) when salary is paid in arrears or in advance, etc. (if the assessee is required to submit the return of income on or before October 31, 2026). Furnishing of certificate in Form No.10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under Section 80QQB (Income-tax Act, 1961) in respect of royalty income (if the assessee is required to submit return of income on or before October 31, 2026). Audit Audit report under section 44AB (Income-tax Act, 1961) for the assessment year 2026-27 in the case of an assessee who is also required to submit a

DATE	DUE DATE FOR
	report pertaining to international or specified domestic transactions under section 92E (Income-tax Act, 1961). Intimation by a designated constituent entity, resident in India, of an international group in Form No. 3CEAB (Income-tax Rules, 1962) for the accounting year 2025-26. Furnishing of Statement in Form No. 98 (Income-tax Rules, 2026) to the concerned Director/Joint Director (Intelligence and Criminal Investigation) containing declaration received in Form No. 97 (Income-tax Rules, 2026) during April 1, 2026 to September 30, 2026. Submission of a report from a Chartered Accountant in Form No. 3CEJA (Income-tax Rules, 1962) for the previous year 2025-26 for the purpose of section 9A (Income-tax Act, 1961) regarding fulfilment of certain conditions by an eligible investment fund. Filing intimation in Form No.3CEAC (Income-tax Rules, 1962) by a constituent entity resident in India (whose parent entity is not resident in India), notifying the prescribed authority of the details of the parent entity/alternate reporting entity for Country-by-Country Reporting purposes. (assuming reporting accounting year is January 1, 2025, to December 31, 2025).



DATE	DUE DATE FOR
	Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No.3AE (Income-tax Rules, 1962) under Section 35D(4) (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on or before November 30, 2026). Furnishing of report of audit of the accounts of an assessee, other than a company or a co-operative society, in Form No.3AE (Income-tax Rules, 1962) under Section 35E(6) (Income-tax Act, 1961) for the previous year 2025-26 (if the assessee is required to submit return of income on or before November 30, 2026). Submission of a report from a Chartered Accountant in Form No. 3CEJA (Income-tax Rules, 1962) for the previous year 2025-26 for the purpose of section 9A (Income-tax Act, 1961) regarding fulfilment of certain conditions by an eligible investment fund. Furnishing of certificate in Form No.10-IJ (Income-tax Rules, 1962) issued by a Chartered Accountant certifying the annual statement of exempt income of the specified fund, being a category-III AIF, under Section 10(23FF) (Income-tax Act, 1961) (if the assessee is required to

DATE	DUE DATE FOR
	submit the return of income on or before November 30, 2026). Furnishing of audit report in Form No. 10BC (Income-tax Rules, 1962) along with particulars forming part of its Annexure by electoral trust. 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 October 31, 2026). Report to be furnished under section 92E (Income-tax Act, 1961) in Form No. 3CEB (Income-tax Rules, 1962) in respect of international transactions and specified domestic transaction. 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 October 31, 2026). • TDS/TCS Filing of quarterly statement of TDS in Form No. 144 (Income-tax Rules, 2026) in respect of

DATE	DUE DATE FOR
	payments other than salary made to non-residents for quarter ending September 30, 2026. Filing of quarterly statement of collection of tax at source under section 397(3)(b) of the Income-tax Act, 2025 in Form No.143 (Income-tax Rules, 2026) for the quarter ending September 30, 2026. Filing of quarterly statement in Form No. 140 (Income-tax Rules, 2026) by deductors responsible for deduction of tax at source on non-salary payments such as commission, brokerage, professional fees, rent, etc. made to residents for the quarter ending September 30, 2026. Filing of quarterly statement in Form No. 138 (Income-tax Rules, 2026) by employers responsible for TDS from salaries paid to employees under section 392 or by specified bank in respect of income paid to specified senior citizen under section 393(1) [Table: Sl. No. 8(iii)] of the Income-tax Act, 2025 for the quarter ending September 30, 2026. Filing of quarterly statement in Form No. 140 (Income-tax Rules, 2026) by deductors responsible for deduction of tax at source on non-salary payments such as commission, brokerage, professional fees, rent, etc. made to residents for the quarter ending September 30, 2026.

DATE	DUE DATE FOR
	Filing of quarterly statement of collection of tax at source under section 397(3)(b) of the Income-tax Act, 2025 in Form No.143 (Income-tax Rules, 2026) for the quarter ending September 30, 2026. Filing of quarterly statement of TDS in Form No. 144 (Income-tax Rules, 2026) in respect of payments other than salary made to non-residents for quarter ending September 30, 2026. • ITR Due date for furnishing the return of income for the Assessment Year 2026–27 by the following assesseees: • 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;

**GST due dates for the month of October 2026**

Due date	Return	Period	Description
10-October	GSTR-7 (Monthly)	September'26	Summary of Tax Deducted at Source (TDS) and deposited under GST laws.
10-October	GSTR-8 (Monthly)	September'26	Summary of Tax Collected at Source (TCS) and deposited by E-commerce operators under GST laws.
11-October	GSTR-1 (Monthly)	September'26	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of July-September 2026.
13-October	GSTR-6	September'26	Details of ITC received and distributed by ISD.
13-October	GSTR-1	July-September'26	Summary of outward supplies where turnover does not exceed Rs.5 crore and have chosen the QRMP scheme for the quarter of July-September 2026.



Due date	Return	Period	Description
13-October	GSTR-5 (Monthly)	September'26	Summary of outward taxable supplies & tax payable by a non-resident taxable person.
20-October	GSTR-3B (Monthly)	September'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 July-September 2026.
20-October	GSTR-5A (Monthly)	September'26	Summary of outward taxable supplies and tax payable by OIDAR.

There is nothing noble in being superior to your fellow man; true nobility is being superior to your former self."

- Ernest Hemingway

**GST****GST UPDATES****1. Advisory on “Multistate Registration” Facility for GST Registration:**

- a) It is informed that an option for “Multistate Registration” has been introduced. The functionality enables taxpayers to apply for registration in multiple States/UTs simultaneously. Taxpayers seeking GST registration in more than one State/UT under the same PAN can use this functionality. Currently, the functionality is available only for Normal Taxpayers.
- b) A “Multistate Registration” tab has been introduced in the homepage of the Common Portal, where Taxpayers can select multiple States/UTs for registration. Upon selection of the required States/UTs, a Master TRN is generated.
- c) Thus, the applicant is not required to enter the common information separately for each State/UT Registration application. The functionality reduces repetitive data entry and facilitates ease of doing business.

2. Enabling Filing of Appeals in Cases Involving NIL or Zero Demand Amount – reg.

In cases where a dispute regarding liability exists but the demand amount is reflected as "NIL" or "Zero" in the demand order, and payment has been made by the taxpayer prior to the issuance of the demand order, the previous validation restricting the filing of an appeal against such demand orders has been removed from the GST Portal.



Accordingly, taxpayers are now enabled to file an appeal in Form GST APL-01 against demand orders reflecting a NIL or Zero demand amount.

3. Important Aspects to be followed while Filing GST Returns for September and October 2026.

In addition to filing monthly returns, taxpayers should undertake the following reconciliations to ensure full compliance:

- a. Reconciliation of Outward Supplies (GSTR-1 vs GSTR-3B) :** Ensure the sales reported in your accounting books match with what has been declared in GSTR-1 (invoice-wise detail) and GSTR-3B (summary return).
- b. Final Issuance of Credit Notes for FY 2025-26:** As per Section 16(4), any credit note related to sales made in FY 2025-26 must be declared by 30th November 2026. Hence, it must be reported in GSTR-1 and adjusted before GSTR-3B of October 2026.
- c. Final Claim of Input Tax Credit (ITC) for FY 2025-26:** Taxpayer must claim all eligible ITC for FY 2025-26 on or before 30th November 2026, via October's return.
- d. Reconciliation of ITC with GSTR-2B (Rule 36(4)):** Reconcile the ITC appearing in GSTR-2B (auto-generated statement) with your purchase register, invoice-by-invoice.
- e. Annual ITC Reversal on Common Inputs/Capital Goods (Rule 42/43):** If there is use inputs or capital goods for both taxable and exempt supplies or business and non-business use, taxpayer required to perform annual ITC reversal.

- f. Follow-Up with Vendors for Missing Invoices:** If vendors failed to upload invoices related to FY 2025-26, request them to upload the same in their October 2026 GSTR-1.
- g. Correcting Invoice Classification Errors (B2B vs B2C):** Invoices that were mistakenly reported as B2C (unregistered buyers) instead of B2B (registered buyers) must be corrected by amending GSTR-1.
- h. Revised Format of GSTR-9 (Annual Return) for FY 2025-26:** As per the updated GSTR-9 instructions, ITC appearing in GSTR-2B from April to October 2026 (relating to FY 2025-26) will be auto-populated in Table 8A. Make sure you have claimed such ITC in GSTR-3B returns from April to October 2026. If not claimed, you lose it, and it causes reconciliation mismatches.

“Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending.”

- Carl Bard

FINANCE AND VALUATIONS

When Growth Becomes the Biggest Risk

1. Growth Is Valuable. But Growth Is Not Free.

For years, investors have been conditioned to believe that growth is the safest route to value creation.

Higher revenue. Higher EBITDA. Higher earnings. Higher valuation. But markets do not reward growth in isolation. They reward growth relative to expectations, risk and the price already paid for that growth. This distinction becomes particularly important in periods of geopolitical uncertainty.

As we enter October 2026, the global investment environment is being shaped by war, elevated energy prices, disrupted supply chains, higher logistics costs, inflationary pressures and uncertainty around interest rates. Brent crude has moved above \$100 a barrel, while disruptions around energy transportation have increased freight and insurance costs.

For India, higher crude prices can put pressure on inflation, the rupee and the current account, while higher global yields can influence the cost of capital and monetary-policy flexibility.

This creates an important valuation question:

“What happens when the future growth embedded in today's valuation meets a world that has suddenly become more expensive, more volatile and less predictable?”

That is the valuation paradox.

**2. Company Can Grow and the Shareholder Can Still Lose Money**

Consider a company earning ₹10 per share.

At a P/E of 40x, the market values it at ₹400.

Suppose earnings grow by 20% to ₹12. If the P/E remains unchanged, the value becomes ₹480 and the investor earns 20%.

But now assume that geopolitical uncertainty, higher interest rates and weaker growth expectations cause the market to reduce the valuation multiple from 40x to 30x.

The value becomes $₹12 \times 30 = ₹360$.

The company has grown earnings by 20%, yet the investor has suffered a 10% decline in value.

The problem was not the absence of growth. The problem was the price paid for growth.

A company can grow and the shareholder can still lose money.

3. Why Geopolitical Uncertainty Changes Valuation

War does not affect valuation through a single channel. It can alter several assumptions simultaneously:

- Higher commodity prices → Margin pressure
- Supply-chain disruption → Higher working capital and logistics costs
- Inflation → Higher interest-rate expectations
- Higher bond yields → Higher cost of capital
- Greater uncertainty → Higher equity risk premium
- Lower long-term visibility → Lower terminal growth assumptions

The important point is that a company does not have to experience a dramatic fall in earnings for its valuation to decline.

A change in the discount rate or the expected growth rate can be sufficient.

**4. The DCF Effect: Small Changes, Large Consequences**

Consider a simplified DCF valuation.

Assume a company generates ₹100 crore of free cash flow in the coming year.

If WACC = 10% and terminal growth = 5%:

Value = ₹100 crore ÷ (10% – 5%) = ₹2,000 crore

Now assume that persistent inflation and higher global yields increase the required return to 11%.

Value = ₹100 crore ÷ (11% – 5%) = ₹1,667 crore

Nothing has happened to the company's current ₹100 crore cash flow. Yet the theoretical valuation has fallen by approximately 17%.

In valuation, the discount rate is not merely a technical assumption. It is the price of uncertainty.

5. The Real Risk: Growth That Is Already Priced In

The most dangerous phrase in valuation is not necessarily “This company is expensive.” It is “But look at how fast it is growing.”

Suppose a company can realistically grow earnings at 20% for five years. That may justify a premium valuation.

But if the market values the company on the assumption of 30% growth for the next decade, the investment thesis becomes fragile.

Expected Growth is what management and analysts believe the company can achieve.

Priced-in Growth is what the current share price requires the company to achieve to justify the valuation.

The difference between the two is valuation risk.

6. India's Growth Story: Strong, But Not Immune

India continues to have significant structural growth drivers—domestic consumption, infrastructure investment, formalisation, digitalisation and manufacturing expansion.



But structural growth does not mean valuations are immune to global shocks.

Higher crude prices remain important because India is a major energy importer. Recent market analysis has highlighted oil prices and global interest rates as important variables for Indian equities in the current environment.

The relevant question for investors is therefore not:

“Is India still a growth story?”

It is:

“How much of that growth is already reflected in today's valuation?”

A good business can remain a good business while becoming a less attractive investment if the price paid becomes excessive.

7. The Valuation Stress Test

In the current environment, high-growth businesses should be evaluated not only under the base case but also under reasonable downside scenarios.

8. The Valuation Paradox

The paradox is simple.

Growth reduces business risk when it is supported by strong economics.

But high expectations increase valuation risk when that growth is already fully reflected in the price.

A company with high ROCE, pricing power, low leverage, strong free cash flow and reasonable valuation may emerge stronger from a period of disruption.

But a company whose valuation depends on uninterrupted growth, expanding margins and low interest rates can experience a sharp valuation reset even if the underlying business remains fundamentally sound.

**Conclusion**

Periods of geopolitical uncertainty remind investors of a fundamental truth:

“The future is never as certain as today's valuation suggests.”

This does not mean abandoning growth. It means becoming more disciplined about the price paid for growth.

The best investment is not necessarily the company with the highest projected growth.

It may be the company where sustainable growth, high returns on capital, strong cash generation, balance-sheet resilience and sensible valuation combine to create a sufficient margin of safety.

Because ultimately:

“Growth creates value only when it is sustainable, profitable and adequately compensated by the price paid for it.”

In uncertain times, the biggest risk may not be that growth disappears.

It may be that we have already paid for growth that the future can no longer guarantee.

“Permit yourself to change your mind when something is no longer working for you.”

- Nedra Glover Tawwa

TAXATION

Applicability of Compulsory Maintenance of Books and Tax Audit under Section 44AB(e) read with Section 44AD (5) of the Income- tax Act in the case of a Partnership Firm Opting Out of Presumptive Taxation

1. Legal Framework

A. Presumptive Taxation & Opting-Out Rule — Section 44AD (4)

Under Section 44AD (1), an eligible assessee (which includes a resident partnership firm, excluding an LLP) carrying on an eligible business can declare profits on a presumptive basis at 8% (or 6% for digital receipts) of total turnover.

However, under **Section 44AD (4)**, where an eligible assessee declares profit under Section 44AD for any previous year and subsequently declares profit not in accordance with Section 44AD (1) in any of the next five assessment years (i.e., opts out), the assessee is **barred from availing the benefit of Section 44AD for five consecutive assessment years** subsequent to the year in which the scheme was opted out of.

B. Compulsory Maintenance of Books & Tax Audit Section 44AD (5) & Section 44AB (e)

Where Section 44AD (4) is attracted, two statutory requirements operate conjunctively:

- ▢ **Section 44AD (5):** An eligible assessee to whom sub-section (4) applies *and* whose total income exceeds the maximum amount which is not chargeable to income-tax must maintain books of account under Section 44AA (2) and get them audited under Section 44AB.



- ▮ **Section 44AB (e):** Every person carrying on business shall get their accounts audited by an accountant if the provisions of sub-section (4) of Section 44AD are applicable in their case and their ***income exceeds the maximum amount not chargeable to income-tax in the previous year.***

2. Critical Nuances and Distinctions

A. Distinction Between Individuals/HUFs and Partnership Firms

For an **Individual or HUF**, a basic exemption limit exists (e.g., Rs. 2,50,000 under the Old Regime or Rs. 3,00,000 under the New Regime). If an individual opts out of Section 44AD and earns an income of Rs. 30,000, their income does *not* exceed the basic exemption limit; hence, tax audit is not triggered for them.

In contrast, for a **Partnership Firm**, there is no basic exemption threshold. Any positive total income (even Rs. 1) exceeds the maximum amount not chargeable to tax, thereby making Section 44AB(e) applicable immediately.

B. Scenario of Business Loss

If the partnership firm had incurred a **net business loss or zero total income**, the total income would not have exceeded the maximum amount not chargeable to tax (Nil), and in that specific event, the second condition of Section 44AD (5) / Section 44AB(e) would not have been met. However, since the firm reported a positive income of Rs. 30,000, this relief does not apply.

C. Consequence of Non-Compliance

Failure to get accounts audited and obtain an audit report before the specified date under Section 44AB attracts a penalty under **Section 271B**, equal to 0.5% of total turnover/gross receipts or Rs. 1,50,000, whichever is less.

D. Overriding Effect over General Turnover Thresholds under Section 44AB(a)

Section 44AB(a) prescribes a general tax audit turnover threshold of Rs. 1 Crore (or Rs. 10 Crores where cash transactions are 5% or less).

However, Section 44AB(e) is an independent, specific charging clause. Where Section 44AD (4) is attracted and income exceeds the basic exemption limit, tax audit is mandatory even if total turnover is substantially below Rs. 1 Crore.

Table for easy understanding

If the partnership firm had claimed Section 44AD in an earlier year, subsequently declared income otherwise than under Section 44AD within the prescribed five-year period, and has positive total income of Rs. 30,000 in the current year, tax audit under Section 44AB(e), read with Section 44AD (4)/ (5), would be attracted, even if the firm's turnover is below Rs. 1crore

Status of Assessee	Prior History	Current Year Turnover	Total Income	Exemption Limit	Tax Audit u/s 44AB(e)
Partnership Firm	Opted out of 44AD last	Rs. 48 Lakhs	Rs. 30,000 (Positive)	NIL	MANDATORY
Individual / HUF	Opted out of 44AD last	Rs. 48 Lakhs	Rs. 30,000 (Positive)	Rs.2.5L/ 3.0L	NOT APPLICABLE
Partnership Firm	Opted out of 44AD last	Rs. 48 Lakhs	Business Loss / Nil	NIL	NOT APPLICABLE
Partnership Firm	Post 5-year lock-out (6th Year)	Rs. 48 Lakhs	Rs. 30,000	NIL	NOT APPLICABLE (unless > Rs. 1 Cr u/s)



Further situation, if Year 1 business loss and Year 2 Positive income

Year	5-Year Lock-Out Active?	Financial Result	Net Total Income	Exceeds Exemption (Nil)?	Tax Audit Required?
Year 0	Opted Out of 44AD	Regular Profit / Loss	Positive / Loss	Evaluated	Governed by 44AB(e)/
Year 1	Yes (Year 1 of 5)	Business Loss	Negative / Nil	No	NO AUDIT u/s 44AB(e)
Year 2	Yes (Year 2 of 5)	Profit / Income	Positive (> Rs. 0)	Yes	MANDATORY AUDIT u/s
Year 3 to 5	Yes (Years 3–5 of 5)	Profit or Loss	Depends on Year	If Positive (post effect of c/f of losses) → Yes	Audit if Positive; No Audit if Loss
Year 6 Onward	No (Lock-Out Ended)	Profit or Loss	Any Amount	N/A	NO AUDIT unless turnover

THANK YOU!

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