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Legal & Finance Weekly

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CORPORATE · SECURITIES
TAX · INSOLVENCY · M&A

MUMBAI · FRIDAY, 30 OCTOBER 2026 | WEEK OF 26 TO 30 OCTOBER | NOT FOR ONWARD CIRCULATION

GST · EFFECTIVE 1 NOVEMBER

GST resets on Sunday: discounts after sale and faster refunds go live

The Finance Act changes parked since March take effect on 1 November, and CBIC has issued eight circulars telling officers how to run registration, refunds and adjudication.

The Centre has appointed 1 November 2026 as the date on which sections 153 to 155 of the Finance Act, 2026 come into force. The notification (No. 03/2026 Central Tax) is dated 26 October. The three provisions rewrite sections 15, 34 and 54 of the CGST Act, and together they settle questions that have kept discount and refund disputes alive for most of the life of GST.

Discounts given after the supply. Under the substituted section 15(3)(b), a discount granted after the supply can be excluded from value where the supplier issues a credit note and the recipient reverses the matching input tax credit. Section 34 is widened so a credit note can be issued for exactly this case. The test now turns on the credit note and the reversal, not on whether the discount was agreed before the sale.

"The test now turns on the credit note and the reversal, not on when the discount was agreed."

Refunds. The amended section 54 extends the 90 per cent provisional refund, so far limited to zero rated supplies, to unutilised credit arising from an inverted duty structure. The ₹1,000 floor on refunds will no longer apply to IGST paid on exports of goods.

The circulars. CBIC issued eight circulars dated 26 October. Registration applications with Aadhaar authentication are generally to be processed within seven working days, and within thirty days where physical verification is needed. If the officer does not act in time, registration is deemed approved under Rule 9. Officers are told not to ask for documents beyond the prescribed list.

Circular 263 confirms that zero rating and refunds will not be denied only because export proceeds were settled through an RBI permitted route, such as a rupee account or set off against import payables. Officers are also asked to issue a pre show cause intimation where feasible, and SCNs now follow a prescribed structure. Rate notifications implementing the 57th Council followed on 27 October.

Notification 03/2026 CT (26 Oct); CBIC circulars dated 26 Oct; rate notifications 02 to 05/2026 CT(R), 27 Oct.

BY THE NUMBERS

90% provisional refund open to inverted duty claims

7 working days for an Aadhaar authenticated registration

8 yrs KYC review cycle for eligible FPIs from 1 Dec

21.36% Jio Platforms listing premium on 28 Oct

₹17,200 cr enterprise value of Solenergi Power, cleared by CCI on 30 Oct

DATES THAT MATTER

1 NOV	GST amendments to sections 15, 34 and 54 in force
21 NOV	SEBI Credit Risk o Meter applies (45 days from 7 Oct, our count)
1 DEC	New FPI KYC review periods apply
1 DEC	Emirates NBD India branches become RBL Bank branches
31 DEC	AOC-4 and CRA-4 without additional fee (FY 2025-26)
31 JAN	MGT-7 and MGT-7A without additional fee
27 APR	Debenture trustees to ring fence non SEBI business

INSOLVENCY · SUPREME COURT

Lenders cannot walk away from a plan they approved

A committee of creditors that has approved a resolution plan and placed it before the NCLT cannot withdraw its approval because the debtor's finances have since improved, the Supreme Court held on 26 October in *Bank of India v S.M. Kamal Pasha*. Justices J.B. Pardiwala and K. Vinod Chandran upheld the NCLAT. The lenders had argued that the applicant would take a windfall. The Court said the NCLT should instead test the plan against the debtor's present position and cash balance, and improved profitability alone is no ground to reject a compliant plan.

COMPANIES ACT · MCA

Annual filings get until December and January

Reversing its earlier stance, MCA's General Circular 05/2026 (24 October) lets companies file AOC-4 and its variants for FY 2025-26 by 31 December 2026, and MGT-7 or MGT-7A by 31 January 2027, without additional fees. Circular 06/2026 (27 October) gives CRA-4 the same 31 December window. Neither circular extends the AGM deadline, and ADT-1 and DIR-12 are not covered. Filings made after the window attract additional fees counted from the original due date.

Continued overleaf

SECURITIES · SEBI

Foreign investors get longer KYC cycles

SEBI's circular of 30 October lengthens periodic KYC review for foreign portfolio investors from 1 December. Category I FPIs from jurisdictions not classed as high risk move to an eight year cycle, as do regulated Category II FPIs from such jurisdictions. Other Category II investors and Category II FPIs from high risk jurisdictions move to two years.

SWAGAT-FI investors keep their ten year cycle, and FPIs investing only in government securities follow the review period RBI sets for their bank accounts. The circular also changes the process for continuing registration.

INSOLVENCY · ARBITRATION

Moratorium no bar to a debtor's own claim

The section 14 moratorium shields a corporate debtor from recovery action against it; it does not stop the debtor from pursuing its own arbitral claim, the Supreme Court has held. Justices Ujjal Bhuyan and Atul S. Chandurkar noted that a successful claim would only add to the debtor's value.

The Bench also held that a High Court which appointed the arbitrator under section 11 does not thereby get power to extend the mandate under section 29A; that lies with the "court" defined in section 2(1)(e). A party that consented to a sole arbitrator could not later insist on three.

DEBT MARKETS · SEBI

Debenture trustees win six more months

On 27 October, the day the earlier deadline fell, SEBI gave debenture trustees until 27 April 2027 to move activities outside its purview into separate business units under Regulation 9C. It is the second six month extension; SEBI set up an expert working group on the subject in June.

IN BRIEF

MARKETS. Jio Platforms listed on 28 Oct at ₹1,358, a 21.36% premium to its ₹1,119 issue price, after a ₹30,213 crore IPO.

CCI. Aditya Birla Renewables cleared on 30 Oct to buy all of Solenergi Power, which holds Shell's Indian renewables portfolio.

RBI. PNB disclosed a ₹1.56 crore penalty for breaching currency chest directions; Emirates NBD branches move to RBL Bank on 1 Dec.

THE ANSV TAKE

A quiet week of relief that still needs work before 1 November

Most of this week's changes ease burdens, but each comes with a condition. The GST discount rule works only if the credit note is issued and the buyer reverses credit; a discount clause that is silent on documents will not get the benefit. The MCA relief waives fees, not the AGM deadline, and a late filing after the window is charged from the original date.

For our transaction clients, *Kamal Pasha* matters on both sides of a stressed deal. Once a plan is with the NCLT, lenders lose the option to reopen it, so bidders gain certainty and creditors need to price their view of the debtor's recovery into the plan before they vote.

01 **Review rebate and discount terms** in distribution and supply contracts so credit notes and buyer reversals are required, before invoices raised from 1 November.

02 **Map inverted duty refunds** now eligible for the 90% provisional route, and check settlement routes on export receipts against Circular 263.

03 **Fix internal dates** of 31 December for AOC-4 and CRA-4 and 31 January for MGT-7; confirm the AGM was held in time.

04 **FPI and custodian clients:** recalibrate KYC calendars to the new cycles from 1 December.

05 **In IBC bids and CoC votes,** treat CoC approval as final and build valuation updates into the plan itself.

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