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INDIRECT TAX UPDATE

GST Changes Notified in October 2026

What is changing, who it affects, from when, and what you should do about it

Document details

Period covered	Notifications, circulars and portal advisories dated 26 October – 4 November 2026
Date of issue	6 November 2026

This update summarises the notifications, circulars and portal advisories issued in October 2026 and early November 2026. It is for general information only.

Summary

Between 26 and 28 October 2026, the government and GSTN issued a large batch of GST changes. Most of the rate and rule changes took effect on 1 November 2026, so several are already live. A few more switch on in December, January and April.

Key changes are summarised below:

- **Registration is rebuilt.** A new simplified route for marketplace sellers (Rule 14B), a revised application form, near-automatic amendments, and mostly automatic cancellation.
- **Refunds are faster and wider.** Portal-only filing, system-issued provisional refunds, input services counted in inverted-duty refunds, and the 1.5x cap on export value removed.
- **E-invoicing reaches your purchases.** From 1 January 2027, self-invoices for reverse-charge purchases from unregistered suppliers and for import of services need an e-invoice. E-way bill numbers also get longer.
- **Rates and exemptions changed on 1 November.** Reverse charge and TDS now cover used cooking oil, plastic scrap, tyre scrap and e-waste. Electric-vehicle transport, delivery services and several exemptions also changed.
- **Tougher automation is coming.** From 1 April 2027 the portal can suspend a registration on its own for non-filing, and credit-ledger blocking follows a formal order and objection process.

Key dates

1 Nov 2026 ALREADY IN FORCE	1 Dec 2026 COMING UP	1 Jan 2027 PLAN NOW	1 Apr 2027 PLAN NOW
• Finance Act Sec. 153–155 • Most GST Rules changes • New Rule 14B • Rate, exemption and RCM changes • TDS on scrap and similar goods	• New RFD-01 refund form • Revised REG-16 form • ITC reversal on cancellation reportable in GSTR-10	• E-invoicing for RCM purchases and import of services • E-way bill numbers: 14 digits • Revised GSTR-7A	• Automatic suspension and cancellation by the portal • Credit-ledger blocking process (DRC-26/27/28) • Capital goods in refund formula

Be aware

Notifications take effect from the dates specified in them. Circulars clarify the application of law and may be relevant to pending or earlier-period matters, depending on their terms. Circulars 264, 265 and 266 also address certain past periods.

All changes at a glance

The table summarises the documents covered in this update, the taxpayers affected and the relevant effective dates. Circulars generally explain the application of existing law, subject to their specific terms.

Document	What it does	Who it affects	Effective / status
Notif. 03/2026-CT	Finance Act 2026 ss.153–155 come into force: post-sale discounts, credit notes, refunds	All suppliers; refund claimants	1 Nov 2026
Notif. 04/2026-CT	E-invoicing extended to RCM purchases from unregistered persons and import of services	E-invoice taxpayers	1 Jan 2027
Notif. 05/2026-CT	CGST (Amendment) Rules 2026: registration, refunds, ISD, credit blocking, forms	Everyone	1 Nov 2026; parts 1 Dec 2026, 1 Jan 2027, 1 Apr 2027
Notif. 06/2026-CT	Sellers of used cooking oil, plastic scrap, tyre scrap, e-waste and metal scrap cannot use the registration exemption for small inter-State suppliers of goods	Scrap and waste dealers	1 Nov 2026
Notif. 07/2026-CT	TDS under section 51 extended to used cooking oil, plastic scrap, tyre scrap and e-waste (metal scrap already covered)	Registered buyers of these goods	1 Nov 2026
Notif. 02/2026-CTR	Seaweed bio-stimulants at 2.5%; retreaded tractor tyres at 2.5%; other retreaded tyres at 9%	Agri-input and tyre trade	1 Nov 2026
Notif. 03/2026-CTR	Psyllium seeds (Isobgul/Isobgol), heading 1211 90 13, added to the nil-rated (exempt) goods list	Traders and processors of psyllium	1 Nov 2026
Notif. 04/2026-CTR	Reverse charge on used cooking oil, plastic scrap, tyre scrap and e-waste from unregistered sellers	Registered buyers of these goods	1 Nov 2026
Notif. 05/2026-CTR	"Nominated agency" now follows the DGFT Handbook of Procedures	Exporters using nominated agencies	1 Nov 2026
Notif. 06/2026-CTR	Hotel, catering and EV service rates; ITC conditions clarified; delivery services via e-commerce	Hotels, caterers, EV operators, delivery services	1 Nov 2026
Notif. 07/2026-CTR	New and revised exemptions (NE helicopter, toll rights, coffee curing, seed storage and others)	Affected service providers	1 Nov 2026
Notif. 08/2026-CTR	RCM on renting of passenger vehicles: reference to supplier's tax rate corrected from 6% to 9%	Body corporates renting vehicles	1 Nov 2026

Document	What it does	Who it affects	Effective / status
Notif. 09/2026-CTR	Delivery services through e-commerce operators: RCM carve-out revised	ECOs and delivery partners	1 Nov 2026
Notif. 10/2026-CTR	Toll-Operate-Transfer concessionaires: tax on O&M services paid when escrow debits are made	Toll-road concessionaires	1 Nov 2026
Circular 257/2026	Guidelines for registration applicants: documents, timelines, permitted queries	New applicants	Clarifies existing law
Circular 258/2026	Standards for show cause notices, hearings, orders and appeals	Anyone with notices	Clarifies existing law
Circular 259/2026	Pre-deposit for appeals: admitted vs disputed tax; refund of pre-deposit	Appellants	Clarifies existing law
Circular 260/2026	Input Service Distributors: multiple ISDs, who meets s.16, timing, reversals	Groups using an ISD	Clarifies existing law
Circular 261/2026	Banks and NBFCs using the 50% ITC option: who can opt, how to report	Banks, NBFCs	Clarifies existing law
Circular 262/2026	ITC on demo vehicles allowed to dealers under the agency model	Auto dealers	Clarifies existing law
Circular 263/2026	When export proceeds count as received (SNRR, Nostro, set-off)	Service exporters	Clarifies existing law
Circular 264/2026	Omission of Rule 96(10), 89(4A), 89(4B) applies from 23 Oct 2017	Exporters	Clarifies law as applicable from 23 Oct 2017
Circular 265/2026	Sublimation paper, toys, margin-scheme ITC, seaweed bio-stimulants	Traders in these goods; used-car dealers	Clarifies existing law
Circular 266/2026	R&D grants, shipping imports, vehicle leasing recoveries, TRAI, bank FTP, NBFC co-lending	Banks, NBFCs, lessors, researchers	Clarifies existing law
GSTN advisories (7)	Composition category, scrap TDS registration, REG-01, REG-16, Rule 14B, amendments, e-way bill numbering	Everyone	1–4 Nov 2026

CT = Central Tax; CTR = Central Tax (Rate).

1. Registration:

Several important procedural changes relate to GST registration. The changes are intended to reduce unnecessary queries and allow faster processing. The portal will also have a greater role in monitoring compliance.

New simplified route for marketplace sellers (Rule 14B)

A seller registered in one State may apply for registration in another State using an e-commerce operator's warehouse as the place of business, subject to Rule 14B. This route is intended for eligible sellers without their own physical presence in the destination State.

Question	Answer
Who can use it?	Registered regular taxpayers with a home-State GSTIN who satisfy the conditions of Rule 14B, including sales through e-commerce operators collecting TCS and the prescribed monthly B2B tax limit of ₹2.5 lakh in the destination State.
What is the process?	Apply in REG-01 and quote your home-State GSTIN. The operator must consent within 7 working days. Then Aadhaar biometric authentication and document verification, then a physical check in the home State.
When is it approved?	Deemed approved if the physical verification is not done within 30 days of the application reference number.
Limits	One Rule 14B registration per State per PAN. Use it only for marketplace sales. Rule 14A users must first withdraw in REG-32.

Applying for a new GSTIN

- **Revised REG-01.** One Person Company is now a separate category. New fields for SEZ entity ID, e-commerce operators under section 9(5), existing registrations (including professional tax numbers), designated-partner DIN for LLPs, and up to 10 bank accounts.
- **Bank details.** If you do not have a bank account at the time of application, give the details within 30 days of getting the registration certificate.
- **Premises proof is standardised** (Circular 257). Owned, family-owned, rented, no agreement, co-working, inherited and SEZ premises each have a fixed document list.
- **Fewer queries.** Officers should raise a query only for illegible documents or vague or mismatched addresses. Aadhaar-authenticated applications are decided in 7 working days; others in 30 days with a physical visit.

Changing details

File REG-14 within 15 days of any change. How it is processed depends on what changed:

Type of change	How it is treated
Principal place of business	Still examined by the officer.

Type of change	How it is treated
Everything else (legal name, partners and directors, additional place of business, other REG-01 details)	Registration is treated as amended once you submit and the system validates it. Mobile and email OTP verification of the authorised signatory and one promoter or partner is compulsory, within 3 days, or no application number is issued.

Closing your registration

- Apply in REG-16 within 30 days of the event. All returns due up to the cancellation date must be filed first. If you filed GSTR-1 or IFF for a period, you must also file GSTR-3B for it.
- Composition taxpayers, non-residents, OIDAR providers and ISDs are cancelled electronically. Regular taxpayers whose monthly tax is ₹2.5 lakh or less in every period are also cancelled electronically.
- Where the prescribed conditions for system-based cancellation are not met, the application may require processing by the proper officer. Taxpayers should check and file all applicable pending returns, including GSTR-10 wherever required, within the prescribed time.

From 1 April 2027: system-based action on registration

Suspension can follow non-filing (six months for monthly filers, two quarters for quarterly) or having no bank account on record. You get a REG-31 intimation and 30 days to fix it.

Cancellation follows automatically if you do not comply, and **revocation** can be applied for within 180 days. It is auto-approved once the returns are filed.

Keep returns up to date and ensure that the required bank details are available on the portal. This will help avoid suspension for these reasons.

Other registration points

- **Composition.** A new category, "persons eligible under section 10(2A)", is available. It cannot be combined with the existing categories, and the category can now be changed through REG-14. Keep it consistent across all GSTINs on one PAN.
- **Scrap dealers.** Dealers in used cooking oil, plastic scrap, tyre scrap and e-waste must now select "Others" under constitution of business in REG-07 and name their category, so they can be identified for TDS.

Practical actions

All taxpayers: file all returns and add bank details before 1 April 2027, so the portal does not suspend you. Treat any REG-31 intimation as urgent.

Registered persons: file REG-14 within 15 days of any change, complete OTP verification within 3 days, and keep the signatory's mobile and email current.

New applicants: pick the premises category in Circular 257, upload that document set, and make sure the address matches the proof exactly.

Marketplace sellers: check the ₹2.5 lakh monthly B2B limit, line up your home-State GSTIN and the operator's consent, and book Aadhaar biometric appointments early.

Scrap dealers and buyers: check registration and TDS set-up for the newly covered goods.

2. Refunds, credit notes and exports

Finance Act changes now in force (1 November 2026)

Change	What it means in practice
Post-sale discounts	A post-supply discount may be excluded from taxable value where the statutory conditions are met, including issuance of a GST credit note and reversal of the ITC attributable to the discount by the recipient. The earlier requirement for a prior agreement linked to specific invoices has been removed.
Credit notes (section 34)	Section 34 provides for credit notes in the prescribed circumstances. Where the supplier seeks to reduce the tax liability through a credit note, the conditions of section 34, including the recipient's corresponding ITC reversal where applicable, must be met. Commercial credit notes without GST adjustment should be considered separately.
Provisional refunds	The 90% provisional refund now extends to inverted-duty claims.
Minimum refund amount	The ₹1,000 floor no longer applies to exports of goods on payment of tax.

How refund claims work now

Stage	Before	Now (from 1 Nov 2026)
Where to file	Portal or Facilitation Centre	Common portal only
Acknowledgement or deficiency memo	Within 15 days	Within 10 days, otherwise treated as acknowledged from the filing date
Provisional refund (RFD-04)	Officer, within 7 days	Generated by the portal after risk evaluation, within 3 working days
Payment and final order	Issued by the officer	Portal can issue RFD-05 and RFD-06 and set off any outstanding demand

Inverted duty refunds

The refund formula now counts more of your credit:

- **Input services**: ITC availed on or after 1 November 2026 counts.
- **Capital goods**: ITC availed on or after 1 April 2027 counts, spread at 1/60th a month over 60 months.
- **Example:** ₹6,00,000 of ITC on a machine, for a quarterly claim period, adds ₹6,00,000 × 1/60 × 3 = ₹30,000 to your net ITC.

Exporters

- **1.5x cap removed.** The limit on export value of goods compared with similar domestic supplies no longer applies in the refund formula (from 1 November 2026).
- **Capital goods ITC** can be included in zero-rated refunds from **1 April 2027**.
- **New RFD-01 from 1 December 2026.** It adds a statement of inward invoices for ITC refunds and a declaration about prosecution for tax evasion above ₹250 lakh in five years.
- **Rule 96(10) relief (Circular No. 264/10/2026-GST).** Following the Supreme Court decision in Goodluck India, the circular clarifies the effect of the omission of Rule 96(10), and the corresponding treatment of Rules 89(4A) and 89(4B), for pending proceedings. The position of a concluded case must be examined separately.
- **Export proceeds (Circular No. 263/09/2026-GST).** For export of services, eligible receipts through repatriable INR accounts, including specified SNRR and Nostro arrangements, and set-off of export receivables against import payables may satisfy the payment condition, subject to RBI and other applicable requirements. The circular also deals with permitted net settlements. For export of goods, refund recovery under Rule 96B is not required where the unrealised proceeds have been written off by the Authorised Dealer bank in accordance with the applicable conditions.

Practical actions

Post-sale discounts: Before reducing taxable value, ensure that the statutory conditions are met. Issue the GST credit note under section 34 and retain reasonable evidence of the recipient's corresponding ITC reversal, where required. Do not treat every commercial or financial credit note as automatically requiring ITC reversal; check whether GST has been adjusted.

Past export cases: Identify pending notices, refund proceedings and appeals involving Rules 96(10), 89(4A) or 89(4B). Examine the relief available under Circular No. 264/10/2026-GST. Concluded matters require a separate review of available legal remedies.

Refund files: claims go on the portal only. Keep invoice-wise statements of inward supplies ready, as the new RFD-01 asks for them from 1 December.

Inverted duty: tag input-service ITC separately from 1 November and start a capital-goods ITC register for 1 April 2027.

3. Input tax credit

Topic	What changed	Applies from / status
Post-sale discounts and credit notes (sections 15(3)(b) and 34)	For a post-sale discount to reduce taxable value, the supplier must satisfy the amended conditions, including issue of a GST credit note and reversal of the related ITC by the recipient. The treatment of other credit notes depends on their nature and whether GST liability has been adjusted.	1 Nov 2026
Credit-ledger blocking (Rule 86A)	The "proper officer" must pass a formal order on the portal (DRC-26). You can object (DRC-27) and get a decision after a hearing (DRC-28). A block lapses after one year, or earlier if lifted.	1 Apr 2027

Topic	What changed	Applies from / status
Input Service Distributors (Rule 54, Circular 260)	An ISD may distribute credit on services attributable to one or more distinct persons, not only "common" services. More than one ISD per State is allowed. Recipients, not the ISD, must meet section 16 and 17 conditions. Credit is distributed in the month it is found prima facie eligible. Cross-charges under Rule 54(1A) do not count as turnover or as net ITC.	Rules: 1 Nov 2026. Circular: clarifies existing law
Banks and NBFCs (Circular 261)	Only GSTINs in deposit or lending business can opt for the 50% ITC route under section 17(4). If one eligible GSTIN opts, all must. Take same-PAN credit in full, 50% of the rest, and reverse the balance in GSTR-3B Table 4(B)(1). Past periods will not be questioned if the ITC amount matches.	Clarifies existing law
Demo vehicles (Circular 262)	Dealers under the dealer-agency model may claim ITC on demonstration vehicles used to promote sales, subject to the statutory conditions and section 16(4) time limit. The earlier contrary paragraph in Circular 231 has been withdrawn.	Clarifies existing law
Used-car margin scheme (Circular 265)	The no-ITC condition applies only to tax paid on the second-hand vehicles bought. ITC on spares, repairs, rent, marketing and similar inputs and input services can be claimed.	Clarifies existing law
Hotels, catering and specified EV services (Notif. 06/2026-CTR)	The concessional 2.5% central tax entries contain specific conditions for eligible input-service credit. These conditions differ by service entry. For example, where the specified hotel entry applies, credit on qualifying same-line services may be limited to 2.5% of the relevant value. The applicable entry must be checked before claiming or reversing ITC.	1 Nov 2026

Other return and rule changes

- GSTR-5 for non-resident taxpayers is due by the 13th (earlier the 20th).
- GSTR-4 on leaving composition is due by 30 June (earlier 30 April).
- GSTR-6 tables 7 and 11 are omitted. Suppliers' GSTR-1/1A and GSTR-5 details flow to the ISD in GSTR-6A.
- The instructions for Forms GSTR-9 and GSTR-9C have been extended to FY 2025-26 and subsequent financial years.
- Provisional attachment (Rule 159): release and objection now follow DRC-22 Parts A and B.
- New formats for DRC-01, DRC-01A and DRC-07 from 1 April 2027.

Practical actions

ISD users: review the monthly distribution calendar, record which vertical or place each ISD serves, and keep Rule 54(1A) cross-charges out of turnover and refund workings.

Banks and NBFCs: confirm every eligible GSTIN has the same section 17(4) choice, and align GSTR-3B Tables 4(B)(1) and 4(B)(2).

Dealers: Review ITC on demonstration vehicles and, for used-car dealers, on eligible spares, repairs, rent and other services. Check the section 16(4) time limit.

Hotels, caterers and EV operators: Check the applicable service entry and its ITC conditions before determining eligible credit. Do not apply a single restriction to all these services.

Rule 86A: from 1 April 2027, set up who replies to a DRC-26 order, who pulls ledger proof, and how fast.

4. E-invoicing and e-way bills

From 1 January 2027, taxpayers covered by e-invoicing must also examine the e-invoice requirements for self-invoices issued for the following transactions:

#	Supply covered by e-invoicing	Status
1	Supplies to registered persons	Already covered
2	Supplies for export	Already covered
3	Purchases from an unregistered person where you pay tax under reverse charge	New from 1 Jan 2027
4	Import of services	New from 1 Jan 2027

- The e-invoice format moves to **version 1.2**, with new supply-type codes (RCMDOM, RCMIMP, SEZWPA and SEZWPNA).
- **E-way bill numbers** change on 1 January 2027: from 12 to **14 digits**, and consolidated e-way bills from 10 to **11 digits**. Update your ERP, APIs, database fields and validation rules. A sandbox for testing is being released.
- GSTR-7A (TDS certificate) is revised from 1 January 2027. Metro railways are treated like railways for e-way bills.

Practical actions

Systems: ask your ERP or GSP vendor for the version 1.2 e-invoice release and the 14-digit e-way bill release, and test in the sandbox in November and December.

Process: decide who raises IRN self-invoices for RCM purchases and imports of services, and when, so payments and returns are not delayed.

Data: add the new supply-type codes and check field lengths for e-way bill numbers in databases and APIs.

5. Tax rates, exemptions and reverse charge

All items below are effective from 1 November 2026. Rates in notifications are central tax rates. State or UT tax is equal, so total GST is double (2.5% central tax means 5% GST; 9% means 18%).

Goods

Item	Change	Source
Seaweed-extract-based biostimulants (registered under the Fertiliser Control Order)	Treated as fertiliser under heading 3101 at 2.5% central tax (5% GST). Past periods regularised "as is where is".	Notif. 02/2026-CTR; Circular 265
Psyllium seeds (Isabgol), heading 1211 90 13	New entry in the nil-rated goods list: no GST on intra-State supply of these seeds.	Notif. 03/2026-CTR
Retreaded tractor tyres	New entry at 2.5% central tax (5% GST)	Notif. 02/2026-CTR
Other retreaded or used pneumatic tyres, solid and cushion tyres, treads, flaps	Entry reworded; stays at 9% central tax (18% GST)	Notif. 02/2026-CTR
Sublimation paper	Classified under heading 4809 at 18% GST. Past periods regularised.	Circular 265
Toys (heading 9503)	The 5% GST entry (18% for electronic toys) covers all toys in the heading, including dolls, scale models and puzzles, not only tricycles, scooters and pedal cars.	Circular 265

Reverse charge and TDS

- **Reverse charge on goods.** Registered buyers pay the tax when buying used cooking oil (1518), plastic scrap (3915), tyre scrap (4004) and e-waste (8549) from unregistered sellers (Notif. 04/2026-CTR).
- **TDS. The same four categories of goods have been added to the notified TDS provisions. Buyers should check whether they are required to deduct tax under section 51 and whether a TDS registration is required (Notif. 07/2026-CT).**
- **No small-seller relief.** Suppliers of these goods cannot use the registration exemption for small inter-State suppliers of goods (Notif. 06/2026-CT).
- **Passenger vehicle renting.** A reference to a 6% supplier tax rate is corrected to 9%, so reverse charge applies correctly (Notif. 08/2026-CTR).

Services

Service	Change	Source
Electric-vehicle passenger transport, and renting of EVs (passengers or goods)	New entries: 2.5% central tax (5% GST) with the same-line ITC restriction, or 9% (18% GST) with full ITC. "Electrically operated vehicle" is now defined and includes e-bicycles.	Notif. 06/2026-CTR

Service	Change	Source
Hotels, restaurants, outdoor catering	ITC conditions clarified, with worked examples (see ITC section)	Notif. 06/2026-CTR
Delivery services through e-commerce operators	2.5% central tax (5% GST) without ITC. The operator pays tax on reverse charge, except where the delivery partner must be registered.	Notif. 06/2026 and 09/2026-CTR
Goods transport agency (GTA)	Definition now requires a consignment note. The GTA exemption does not apply to goods supplied through an e-commerce operator.	Notif. 06 and 07/2026-CTR
Helicopter seat-share flights in the North-East and Bagdogra	Exempt	Notif. 07/2026-CTR
Exclusive right to collect toll granted by government	Exempt	Notif. 07/2026-CTR
Seamen's Provident Fund Organisation services	Exempt	Notif. 07/2026-CTR
Curing of coffee for cultivators	Exempt	Notif. 07/2026-CTR
Storage and warehousing	Exemption restated for cereals, pulses, fruits, vegetables and seeds for sowing. "Seed" is now defined.	Notif. 07/2026-CTR
Toll-Operate-Transfer concessionaires	Tax on operation and maintenance services is paid when the escrow account is debited for those costs.	Notif. 10/2026-CTR

Clarifications (Circular 266)

Issue	Clarification
Research versus consultancy	For the exemption on research grants (Entry 44A), a certificate from the head of the institution that the work is research and not consultancy is enough.
Foreign shipping companies	The circular clarifies the treatment of specified services imported by foreign shipping companies from related persons without consideration. The relevant exemption and regularisation for past periods should be applied only where their prescribed conditions are satisfied.
Motor vehicle leasing	Registration, road tax, insurance, FASTag and similar recoveries from the lessee are part of the leasing service and taxed at the leasing rate.
TRAI	TRAI is not "Government" under section 2(53).
Bank fund-transfer pricing	Notional interest booked between branches through head office is "interest" and falls within the exemption.
NBFC co-lending	Lending services by an NBFC to a bank are taxable, on the value agreed in the contract.

Notification No. 07/2026-Integrated Tax (Rate), referred to in Circular No. 266/12/2026-GST, was not included in the source pack reviewed for this publication. The applicable IGST rate notifications should be checked separately.

Practical actions

Masters and invoices: update tax codes for psyllium seeds, tyres, bio-stimulants, toys, EV services and delivery services for supplies from 1 November.

Scrap and waste buyers: start self-invoicing and paying reverse charge on purchases from unregistered sellers, and deduct TDS where required.

Sellers of these goods: check whether you must now register, as the small-supplier relief no longer applies to them.

Settled past periods: for sublimation paper, bio-stimulants and shipping imports, past periods are regularised "as is where is". Review open notices for them rather than reopening paid tax.

6. Notices, hearings and appeals

Show cause notices and orders (Circular 258)

- Use a pre-notice intimation (DRC-01A) wherever possible. Notices must state specific facts, evidence and year-wise amounts. Gaps cannot be filled later.
- Where an extended limitation period is invoked on grounds of fraud, wilful misstatement or suppression, the notice must set out the relevant allegations and supporting facts. The applicable provision and tax period should be considered, including the distinction between sections 73, 74 and 74A.
- Adjournments are subject to the statutory limit. Virtual hearings are encouraged. Orders should address the material submissions made by the taxpayer and should not travel beyond the notice. The circular also provides guidance on timely disposal.
- Parallel proceedings by Central and State tax authorities on the same subject matter are restricted by the applicable provisions of the CGST Act. Officers must also review the accuracy of AI-assisted drafts.
- Rectification under section 161 is intended for errors apparent on the face of the record. The circular also emphasises timely disposal of appeals.

Appeal pre-deposit (Circular 259)

Point	Position
Admitted amount	The admitted part of the tax, interest, fine, fee or penalty, as applicable, must be paid as required under the appeal provisions.
Pre-deposit	10% of the tax in dispute (APL-01, Table 14). At the Tribunal stage, 10% of the disputed tax confirmed in the first appeal.
Refund	Claim in RFD-01 "on account of order". A pending department appeal is no ground to hold back the refund unless stayed. Interest runs from each deposit's own payment date.
Remand	Full remand: pre-deposit refunded within the time limit. Partial remand: confirmed demand is adjusted first.

Practical actions

Open notices: Check for specific facts, evidence and year-wise demand details. Where the notice alleges fraud or suppression to invoke an extended period, examine whether it identifies the necessary grounds and evidence.

Hearings: Request a virtual hearing where appropriate. Keep a record of adjournments and comply with the statutory limit, which generally permits no more than three adjournments to a party.

Appeals: Check the admitted liability and pay the required pre-deposit on disputed tax. Record each payment date for any subsequent refund claim. After a favourable order, examine the refund route under RFD-01 and the applicable limitation period.

This update is a summary for general information and is not legal or tax advice. Please speak to us before acting on it, as your facts may change the answer.

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