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## OVERVIEW

The Professional Buzz – February 2026 brings together regulatory clarity, professional insights, and real-world learning. This edition captures key legal and compliance updates, emerging updates and judgements, AI in Articleship, and moments that define our professional community; blending knowledge with experience and purpose.



#### Voice & Profession

Leadership thoughts, articleship experiences, and professional values



#### Regulatory & Compliance

GST, Tax, MCA, SEBI, FEMA updates and compliance calendar



#### Insights & Intellect

RBI Norms, Industrial Licenses, Tiger Global Case and AI



#### Profession in Action

Events, conferences, and professional engagements

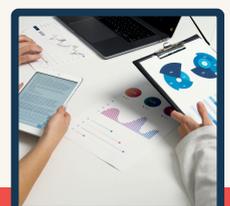


#### Community & connect

About Us

**Editor-** CA Rakesh Tayal

**Editorial Team-** Adarsh Uppal, Sheetal Agarwal, Rashi Tayal and Palak Garg



## Editorial Perspective



As the Chartered Accountancy profession continues to evolve amidst increasing regulatory expectations, economic developments, and rapid technological change, the role of the professional remains central to ensuring transparency, governance, and public confidence. These developments underscore the need for continuous learning, sound professional judgment, and adherence to the highest ethical standards.

The Professional Buzz is envisaged as a structured knowledge platform to support professionals in navigating this evolving environment. The objective of this publication is not merely to compile regulatory updates, but to present them in context- facilitating informed interpretation and meaningful professional application. The present edition brings together key policy and regulatory developments, significant judicial pronouncements, and analytical perspectives relevant to professional practice. In addition to technical content, the publication also reflects professional engagements and emerging themes that influence the profession beyond compliance.

A deliberate effort has been made to include contributions from professionals across different stages of their careers. This approach reflects the belief that the strength of the profession lies in continuity—where experience, mentorship, and emerging viewpoints together contribute to professional excellence.

As The Professional Buzz progresses as a regular publication, the focus will remain on accuracy, relevance, and responsible dissemination of knowledge, in alignment with the values and traditions of the profession. It is hoped that this publication serves as a useful reference and contributes constructively to informed decision-making and professional discourse.

- CA Rakesh Tayal

# Strategic Implications of the RBI’s Amended Disclosure Norms in financial statements of NBFCs for Related Party Transactions



## Introduction: The New Regulatory Mandate

The RBI has strengthened governance for NBFCs by mandating detailed disclosures of all related party exposures under the \*RBI (NBFC – Financial Statements: Presentation and Disclosures) Amendment Directions, 2026\* issued on January 5, 2026. The amendments take effect from April 1, 2026, with an option for early adoption, and aim to enhance transparency and regulatory oversight.

**Pramod Chauhan**  
Associate Vice President | B.C. Jindal Group

## Detailed Examination of the New Disclosure Requirements

The core of the amendment is the insertion of a new sub-paragraph, 21(9A), into the existing Directions. This change replaces generalized reporting with a granular, standardized format strategically designed to provide stakeholders with unprecedented clarity into an NBFC’s dealings with its related parties. This new format compels NBFCs to present highly specific quantitative measures of these exposures, providing a clear and standardized basis for analysis.

The prescribed disclosure format under the new paragraph 21(9A) is as follows:

Sl	Particulars	Previous Year	Current year
<b>A</b>	<b>Loans to Related Parties</b>		
1	Aggregate value of loans sanctioned to related parties during the year		
2	Aggregate value of outstanding loans to related parties as on 31st March		
3	Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March		
4	Aggregate value of outstanding loans to related parties which are categorized as:- (i) Special Mention Accounts as on 31st March (ii) Non-Performing Assets as on 31st March		
5	Amount of provisions held in respect of loans to related parties as on 31st March		
<b>B</b>	<b>Contracts and Arrangements involving Related Parties</b>		
6	Aggregate value of contracts and arrangements awarded to related parties during the year		
7	Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March		

The significance of these specific disclosure points is profound:

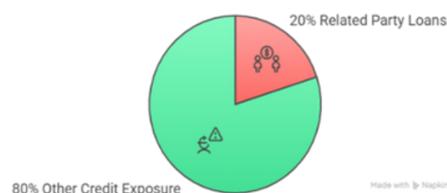
**Credit Quality Breakdown:** Mandating the disclosure of loans categorized as Special Mention Accounts (SMA) and Non-Performing Assets (NPA) provides direct and unambiguous insight into the credit quality of the related-party loan book. This allows for a more accurate assessment of the risk associated with these insider exposures.

**Proportional Exposure:** The requirement to disclose related party loans as a proportion of total credit exposure serves as a key indicator of concentration risk. Stakeholders can now easily gauge the extent to which the NBFC's financial health is tied to the performance of its related parties.

**Comprehensive Scope:** The disclosures are not limited to credit exposures. By including "Contracts and Arrangements," the RBI ensures a holistic view of all financial dealings with related parties, covering service contracts, leases, and other non-credit arrangements that have financial implications.



**NBFC's Total Credit Exposure by Related Party Loans**



These disclosure requirements are inseparable from the updated Credit Risk Management Directions, which provide a more comprehensive and stringent definition of a 'related party'. The operational challenge, therefore, is not just reporting but ensuring our systems can accurately identify all entities under this expanded definition.

### Analysis of the RBI's Regulatory Intent and Objectives

The RBI's amendment is not merely a procedural update but a deliberate policy action aimed at addressing specific supervisory concerns, particularly the potential for masked insider lending and conflicts of interest. The strategic rationale is to fortify the sector's governance foundation by mandating transparent and consistent reporting. The primary objectives of the new disclosure regime are as follows:

**Enhance Transparency and Stakeholder Insight:** By standardizing quantitative disclosures, the RBI empowers shareholders, analysts, and regulators to accurately assess the extent and quality of related party exposures. This moves beyond high-level figures to granular data, making financials more informative and reducing information asymmetry.

**Strengthen Risk Governance:** Transparent reporting is a powerful tool to mitigate insider lending practices that could undermine an NBFC's financial stability. This directive complements stricter risk management thresholds by making exposures public, reinforcing the Board's role in preventing actions detrimental to the company.

**Align with Global Best Practices:** This move brings NBFC reporting standards closer to international norms for related party transaction disclosures. Enhanced comparability with global peers can improve overall investor confidence in the Indian NBFC sector.

**Enable Early Detection of Conflicts:** The structured data allows for the early identification of potential risks. Regulators and internal risk functions can more easily recognize concerning trends, such as a high concentration of loans to related parties, deteriorating credit quality within this portfolio, or provisioning shortfalls. These regulatory objectives will have a direct impact on operations and governance, necessitating a strategic and proactive response.

### **Strategic Implications for NBFC**

Compliance with these new regulations is not just a technical exercise, it demands a strategic response that cuts across several key functions of the organization. For the Board and senior management, understanding these implications is critical for navigating the new regulatory landscape effectively.

**Enhanced Governance and Board Oversight:** These regulations significantly elevate the role of the Board and its committees, particularly the Risk and Audit Committees. The Board's responsibility is now unequivocally extended beyond the simple approval of transactions to the active and continuous monitoring of related party exposures. It will be accountable for ensuring the robustness of underlying policy frameworks and demonstrating that all dealings are conducted at arm's length and in the best interest of the NBFC.

**Operational and Systemic Adjustments:** Operationally, we must prepare for significant adjustments. The NBFC must update its accounting, internal reporting, and IT systems to accurately capture and report data in the prescribed format. This requires ensuring that the expanded definition of "related party" is consistently applied across all systems and that a clear, documented audit trail exists for every transaction from sanction to final disclosure.

**Market Perception and Investor Relations:** This new level of transparency presents a strategic opportunity to differentiate our governance practices and potentially achieve a lower cost of capital compared to less transparent peers. By providing clear, unambiguous data on insider exposure and associated credit risk, we can enhance investor and analyst confidence, reduce uncertainty, and allow the market to more accurately price the risk associated with our company.

**Increased Audit and Assurance Scrutiny:** Statutory auditors will now be required to incorporate the verification of these specific, granular disclosures into their annual audit procedures. This will inevitably lead to a higher degree of scrutiny of our related party transactions, their documentation, and the integrity of the data presented. Immaculate documentation and data integrity are therefore paramount to ensuring a smooth and successful audit cycle.

The analysis of these implications makes it clear that a structured and proactive implementation plan is necessary to ensure readiness.

### **Recommended Actions and Path Forward**

This section outlines an actionable roadmap designed not just for compliance, but to embed best-in-class governance into operational DNA and turn a regulatory mandate into a strategic advantage. Proactive preparation is essential to ensure seamless compliance by the April 1, 2026 deadline.

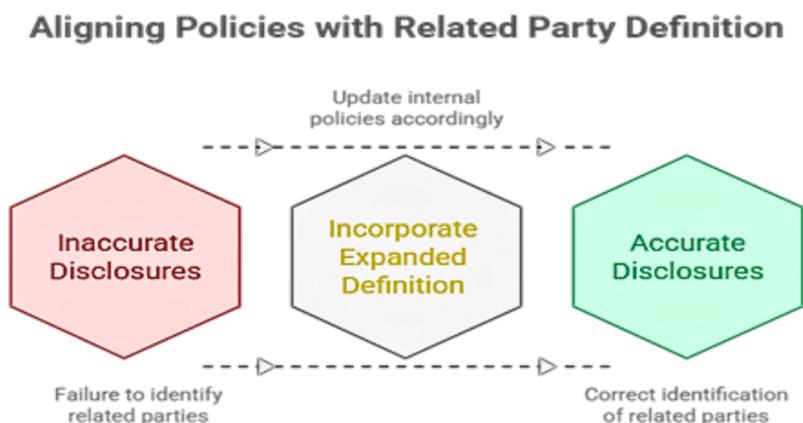
**Immediate Gap Analysis:** Commission an immediate gap analysis of the current data capturing and reporting systems against the new RBI requirements outlined in paragraph 21(9A). This analysis must identify any deficiencies in data availability, classification, or reporting capabilities.

**Policy and Definitional Alignment:** Instruct a comprehensive review of internal policies to ensure they incorporate the expanded definition of ‘related party’ as stipulated in the Credit Risk Management Directions. This is a foundational step, as any failure in identification will render the disclosures inaccurate.

**Establish a Cross-Functional Implementation Team:** Form a dedicated implementation team comprising members from Finance, Risk, Compliance, and IT. This team will be responsible for overseeing the project of system upgrades, process redesign, and staff training required to meet the new standards.

**Formal Board-Level Strategy Session:** Add a dedicated agenda item to the Board meeting to discuss the findings of the gap analysis and review the strategic implications outlined in this briefing. The objective of this is to secure formal Board approval for a fully-costed implementation plan, ensuring top-level ownership of this critical governance enhancement.

The RBI’s amendment marks a pivotal development for governance in the NBFC sector. By taking these proactive steps, organization can not only ensure compliance but also reaffirm its commitment to upholding the highest standards of transparency and risk management.



# India's Industrial Licences Don't Talk to Each Other



Raghav Gupta  
Endiya Partners

Despite ease-of-doing-business claims, factory compliance remains fragmented, with multiple licences, repeated data submissions, and regulators seeking information beyond their mandate.

## When Enhancements Become a Compliance Burden

The problem worsens when changes occur. Even minor upgrades can trigger multiple licence amendments, with each authority interpreting them separately, causing delays and uncertainty. Instead of enabling safe expansion, the system discourages growth, modernisation, and productivity improvements.

## When "White Category" Isn't Really White

Environmental regulation highlights the issue. White Category industries are still asked for irrelevant data, and expansion is often treated as pollution despite unchanged processes and emissions. This penalises growth without environmental benefit; regulation should be process- and impact-based, not size-based.

## Penalised for Power Failures They Don't Control

The distortion goes further.

Industries are routinely pushed into higher pollution categories because they install backup diesel generator (DG) sets. These DG sets are not production assets; they exist solely to manage unreliable power supply from State Electricity Boards. Instead of being treated as contingency infrastructure, DG capacity is often counted as a basis for stricter environmental classification. In effect, industries are punished for compensating for grid unreliability - an external failure entirely outside their control. This reverses accountability. Rather than incentivising grid stability, the regulatory system penalises self-reliance.



## The Deeper Problem: Regulation Without Integration

India's problem is not over-regulation but uncoordinated regulation. Disconnected systems force regulators to work without a single source of truth, turning compliance into paperwork rather than risk management. This is not how a serious industrial economy regulates.

## What Needs to Change

### Unified industrial identity

Every factory should have a single, persistent industrial ID linked to land records, buildings, and core process parameters. All licences; factory, pollution, fire, and local body; should reference this ID instead of repeatedly capturing the same information. This creates a single source of truth across regulators.

### Clear data separation

Basic facts such as address, built-up area, power load, and workforce should be declared once and shared across systems. Each regulator must collect only information relevant to its statutory role, eliminating irrelevant data capture and compliance by duplication.

### Process-based environmental regulation

Environmental classification should be anchored to process, emissions, effluents, waste streams, and resource consumption; not product volume or business growth. Backup infrastructure like DG sets used purely for power support should be regulated through operating limits and emission norms, not by pushing units into higher pollution categories.

### Event-based, integrated approvals

Operational changes should trigger targeted, digital notifications across departments, with mutual recognition of approved layouts and plans. This would replace cascading approvals with coordinated, risk-based review and end repetitive scrutiny. India's industrial ambitions will not be constrained by capital or talent, but by how intelligently regulatory systems listen to one another.

#### Unified Identity

Lacks a single, persistent ID

#### Data Separation

Regulators collect irrelevant data

#### Pollution Regulation

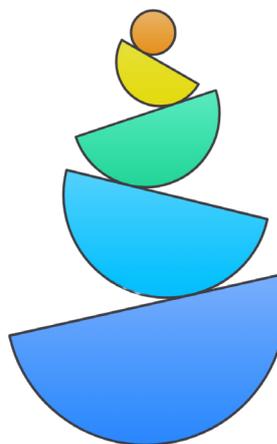
Based on product volume, not impact

#### Backup Infrastructure

Misclassified environmental impact

#### Event-Based Updates

Repetitive scrutiny and delays



# The Tiger Global Supreme Court Judgment: A Paradigm Shift in India's Tax Treaty Jurisprudence



CA Gaurav Garg  
Chairman, NIRC of ICAI (2023-2024)

On January 15, 2026, the Hon'ble Supreme Court of India delivered a landmark judgment that has fundamentally altered the landscape of cross-border taxation in India. The judgment, which denied tax treaty benefits to Tiger Global on its capital gains from the 2018 Flipkart exit, establishes that Tax Residency Certificates (TRCs) are no longer conclusive proof for claiming treaty protection and that the General Anti-Avoidance Rule (GAAR) can override treaty benefits when structures lack commercial substance.

## Background of the Dispute

In 2018, Tiger Global sold its entire stake in Flipkart to Walmart. The transaction was structured through three Mauritius incorporated entities Tiger Global International II, III, and IV Holdings, which held shares in Flipkart Private Limited, a Singapore-incorporated company whose value derived substantially from the investment made in

the Indian company. Before completing the sale, Tiger Global approached the Indian tax authority by filing applications under Section 197 of the Income Tax Act, 1961 (the Act), seeking nil withholding certificate claiming exemption under Article 13(4) of the India-Mauritius Double Taxation Avoidance Agreement (DTAA). However, the tax authority, issued certificates in August 2018, prescribing a withholding tax rates ranging from 6.03% to 8.47%.

## The Legal Journey: From AAR to Supreme Court

**Authority for Advance Rulings (2020):** Subsequent to not receiving nil withholding certificate from the tax authority, Tiger Global approached the Authority for Advance Rulings (AAR). In March 2020, AAR concluded that the applications of Tiger Global relates to a transaction or issue which is prima facie designed for the avoidance of income tax and therefore, rejected the application under the jurisdictional bar contained in proviso (iii) to Section 245R(2) of the Act.

**Delhi High Court (2024):** Challenging the order passed by the AAR, Tiger Global filed a writ petition before the Hon'ble Delhi High Court. In August 2024, the Court overturned the AAR's decision, ruling in favour of Tiger Global. The Court held that Tiger Global was entitled to the DTAA benefits and that its income would not be chargeable to tax in India. Against the above judgment of the Hon'ble Delhi High Court, the tax authorities approached the Hon'ble

## Supreme Court's Key Findings

**Commercial Substance Missing:** The Court observed that, for transactions exceeding specified thresholds, the effective decision-making authority rested with individuals based in the United States rather than with the Mauritian directors. No person resident in Mauritius was authorised to sign cheques for high-value transactions. The boards of the Mauritian entities merely formalised decisions that were, in substance, controlled from outside Mauritius. Further, the three entities had made no investments other than in Flipkart Singapore. The overall structure was routed through a complex web of entities incorporated in the Cayman Islands and Mauritius, with ultimate control vested in Tiger Global Management LLC, USA.

**TRC Not a Conclusive Document for Claiming DTAA Benefit:** The Hon'ble Supreme Court clarified that TRC, while relevant, is not conclusive proof of residence for DTAA benefit. The Hon'ble Court affirmed that the General Anti Avoidance Rules (GAAR) provi-

Supreme Court of India. In 2025, the Supreme Court stayed the operation, implementation, and execution of the impugned judgment and order, and also stayed the assessment proceedings initiated against Tiger Global.

sions contained in Chapter X-A of the Act empowers tax authorities to examine treaty abuse and to ensure that exemptions or concessions are available only to genuine entities resident in the Contracting State with commercial interest and without tax avoidance as their main object. **GAAR Override DTAA:** The Hon'ble Court also ruled that the GAAR provision applies to the transactions when they constitute "impermissible avoidance arrangements." The Court found that Section 96(2) of the Act places the onus on the taxpayer to disprove the presumption of tax avoidance. The Hon'ble Court rejected a dissected approach of examining only the sale of shares in isolation. The Court found that the entire transaction from structuring through Cayman and Mauritius entities to the ultimate sale was a pre-ordained arrangement created for tax avoidance.

## Concluding Thought

Investors who have structured their India investments through Mauritius or other country having favourable DTAA provisions without genuine commercial substance may now face tax scrutiny and potential tax demands. The judgment strengthens Indian tax authorities firm position against treaty shopping and tax avoidance. It is advisable that foreign investors must now;

- ~ Undertake comprehensive due diligence on their investment structures.
- ~ Document genuine commercial reasons for jurisdiction selection
- ~ Maintain substantive economic presence beyond mere registration or paper office

## AI in Articleship: Speed Without Shortcuts

Most days during articleship begin not with theory, but with practice; files waiting on the desk, compliance calendars, working papers and the quiet pressure of deadlines. Articleship teaches discipline, patience, and attention to detail. Somewhere between making presentations and reports, I began noticing a subtle shift in how work was being done. That is where Artificial Intelligence quietly entered my professional journey. Tasks that once took hours were suddenly being completed in minutes.

AI is no longer a sci-fi concept from *The Matrix*; it is my desk-mate. But as any fan of *3 Idiots* knows: there is a thin line between being a Rancho (using logic to master the machine) and a Chatur (blindly following the script).



**Sheetal Agarwal**  
Article Assistant  
PRANV & Associates

AI is not a buzzword or a shortcut; it is a tool that can support learning if used wisely, or weaken it if relied upon blindly. Artificial Intelligence refers to systems that learn from data, identify patterns, and assist in decision-making, but it does not think like a professional or carry responsibility. Judgment, accountability, and ethics remain with us. This distinction is crucial. Articleship is not about completing work faster, but about understanding the reasoning behind it. While AI can assist the process, it cannot replace the learning gained through questioning, analysis, and the application of professional judgment.

We all remember the “Chamatkar” speech from *3 Idiots*. Chatur was fast and efficient, but he did not understand a single word he was delivering and the result was a disaster. Speed without understanding proved to be his biggest flaw. In 2026, AI can draft a presentation, note, or assessment report in seconds. However, copy-pasting the output without verifying facts, applying professional reasoning, or checking the latest judicial precedents repeats the same mistake. This is the modern version of the Chatur Trap; appearing efficient on the surface while missing the substance that truly matters.

The Chartered Accountancy profession has always evolved, and AI is simply the next stage of that journey. The focus should be on adaptability, not mastering every tool. Just as the profession moved from physical ledgers to Tally and ERPs, it is now moving towards Agentic AI capable of executing complex workflows.

Our role is to be the “pilot” of these systems understanding where AI helps and where it must stop. AI may make us faster, but only reflection and judgment make us better professionals. Used responsibly, AI becomes a support to expertise, not a substitute for it.

### Where I Choose to Draw the Line

AI is useful, but boundaries matter.

- 1. Assistant, Not Decision-Maker-** AI should support analysis, not replace professional judgment. Real learning comes from understanding and questioning, not blindly accepting outputs.
- 2. Protecting Critical Thinking-** Overuse of AI can reduce depth. Articleship is where analytical habits are built, so AI should be a second check, not the first thought.
- 3. Ethics and Confidentiality-** Client data demands care. AI must be used responsibly within approved systems, with trust always taking priority over convenience.

## Where AI Truly Becomes Useful

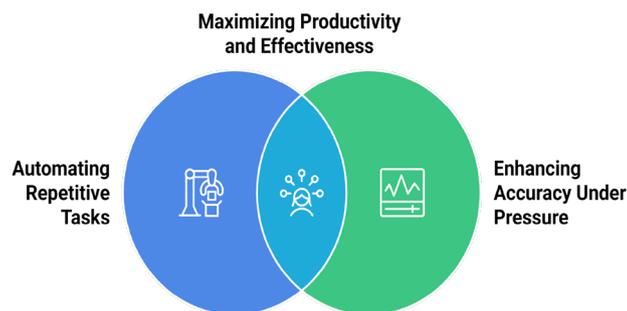
### 1. Reducing Mechanical Effort, Not Professional Thinking

There is no denying that a significant part of articleship involves repetitive work—data sorting, reconciliations, and initial checks. AI-powered tools can handle these mechanical aspects efficiently. When AI takes over repetitive tasks, it creates space for something far more valuable: learning. Time saved can be invested in understanding audit risks, interpreting tax provisions, or analyzing financial statements. Used this way, AI does not weaken the learning curve; it sharpens it.

### 2. Supporting Accuracy Under Pressure

Deadlines are an inseparable part of professional life. In such situations, AI acts as a support system; flagging inconsistencies, tracking compliance dates, and aiding in validation. This support reduces avoidable errors while still leaving room for verification and review. It teaches responsibility without overwhelming pressure.

## The Power of AI in Professional Work



## Conclusion

Standing at the intersection of learning and practice, I see Artificial Intelligence not as a replacement for effort, but as a quiet enabler of better learning. Just as it entered my journey subtly; between preparing presentations, drafting reports, and meeting deadlines; it will continue to integrate into our profession in equally understated ways. The real value of AI lies not in how much work it can do for us, but in how wisely we choose to use it.

AI can simplify processes, improve accuracy, and save time, but it cannot substitute curiosity, skepticism, or professional judgment. Those qualities are shaped during articleship; through questioning, making mistakes, and understanding the reasoning behind every conclusion. AI remains a support system, not a shortcut; an assistant, not an authority.

As the profession evolves, the responsibility lies with us to grow alongside technology without losing the essence of what defines us as professionals. If used with balance and integrity, AI can help us become not just faster professionals, but better ones. And that, ultimately, is the purpose of articleship; not merely to complete work, but to build the foundation of the professional we aspire to become.

# Consulting: Where Thinking Meets Transformation



CA Rakesh Tayal  
Partner, PRANV & Associates

A consultant starts with **Observation** - not just seeing the problem, but understanding its root cause. This insight is converted into structure through **Systemization**, bringing order to complexity.

With **Leadership**, a consultant doesn't command - they guide decisions with clarity and purpose. Through **Alignment**, people, processes, and priorities move in one direction. And none of this is possible without **Trust**, the most valuable currency in any professional relationship.

A true consultant delivers **Clarity** in ambiguity, **Navigates** change with confidence, **Uncovers** opportunities others overlook, and **Transforms** strategy into sustainable results. Effective **Negotiation** ensures balance between expectations, practicality, and long-term value.

“Consulting is not about quick solutions. It is about building clarity, confidence, and credibility that lasts.”



# Union Budget Highlights

## 1. Direct Tax & Compliance Highlights-

- ~ New Income Tax Act, 2025 effective 1 April 2026
- ~ Uniform TCS of 2% on foreign remittances (education, medical, travel)
- ~ NRIs & global professionals visiting India enjoy tax exemption on overseas income for 5 years
- ~ Emphasis on faceless assessments and trust-based compliance – lower litigation & procedural clarity
- ~ Extended time window to revise returns till 31 March (versus earlier deadlines).

## 2. Corporate & Advisory Opportunities-

- ~ Capital expenditure boost to ₹12.2 lakh crore → More projects needing valuations, project finance, due diligence

## 3. MSME & Startup Focus-

- ~ ₹10,000 crore MSME Growth Fund → Advisory for growth, funding, and restructuring
- ~ Support for startups, innovation, and technology-driven ventures
- ~ Easier credit access → crucial for financial planning and audit advisory

## 4. Technology & Future Skills

- ~ Special focus on AI, data, cloud, and digital infrastructure
- ~ Push towards digital accounting, reporting, and compliance

## 5. ESG & Green Finance

- ~ Carbon Capture Fund ₹20,000 crore for decarbonization of heavy industries
- ~ Increasing demand for ESG advisory, assurance, and sustainability reporting

## 6. Financial Markets & Corporate Tax

- ~ MAT reduced to 14% → Benefit for corporates under MAT regime
- ~ Bond market deepening, including municipal bonds and hedging tools



# Regulatory Updates

## 1. SEBI Regulatory Alert

Area	Update/Regulation	Brief Description	Notification
Social Stock Exchange (SSE)	Master Circular on Social Stock Exchange	Consolidation of all SSE-related circulars into a single Master Circular for ease of compliance.	SEBI Master Circular – Framework on Social Stock Exchange
Foreign Portfolio Investments (FPI/FVCI)	SWAGAT-FI Framework	Launch of SWAGAT-FI to simplify registration and operational access for FPIs and FVCIs.	SEBI Circular on SWAGAT-FI Framework
Credit Rating Agencies	SEBI (Credit Rating Agencies) (Amendment) Regulations, 2026	Amendments to enhance oversight, transparency, and accountability of Credit Rating Agencies.	SEBI Regulations – CRA Amendment
Introduction of Closing Auction Session (CAS)	Introduction of Closing Auction Session (CAS)	Introduction of a Closing Auction Session to improve price discovery and reduce closing volatility.	SEBI Circular on CAS in Equity Cash Segment
Specialized Investment Funds (SIFs)	Compliance Reporting Formats	Standardized compliance reporting formats for SIFs aligned with mutual fund disclosures.	SEBI Circular on SIF Reporting
Mutual Fund Distribution	Extension of Distributor Incentive Timeline	Extension of timelines for incentive structures targeting B-30 cities and women investors.	SEBI Circular on Distributor Incentives
Merchant Banking	Consequential Requirements- Merchant Bankers Regulations	Clarification of compliance requirements under amended Merchant Bankers Regulations.	SEBI Circular – Merchant Bankers
Debt Securities & Listing	Amendment to Issue & Listing of NCS Regulations, 2026	Changes to Issue & Listing of Non-Convertible Securities Regulations to enhance disclosures.	SEBI NCS Regulations (Amended Jan 21, 2026)

## 2. GST- Regulatory Updates Summary

Title	Resulted Impact	Summary of Impact	Notification
GST Valuation Rule (Retail Sale Price)	Retail Sale Price (RSP)-based Valuation & Rate Changes for Specified Goods	Rule 31D introduced for RSP-based valuation of tobacco goods; GST rates revised from 1 Feb 2026.	Notification No. 19/2025 & 20/2025 – Central Tax (Rate & Rules)
GST Compensation Cess Changes	Compensation Cess set to Nil for specified tobacco & pan masala goods	Compensation Cess on sin goods reduced to Nil, simplifying tax incidence.	Notification 03/2025 – Compensation Cess (Rate)
GST Rate Restructuring (56th GST Council)	Next-Generation GST Slab Rationalisation (implemented 22 Sept 2025)	GST structure simplified to mainly 5% and 18% slabs, with a 40% slab for select luxury/sin goods.	CBIC GST Rates & Schedules
Annual Return / Compliance Simplifications	Exemption from filing annual return for small taxpayers	Taxpayers with turnover up to ₹2 crore exempted from GSTR-9/9A from FY 2024–25 onwards.	Central Tax Notifications List
GST Appellate Tribunal (GSTAT)	Operationalisation & Appeal Procedures	GSTAT operationalised with defined appeal timelines and benches.	CBIC Notifications from GST Council meeting decisions
Deferred Returns Waivers & Late Fee Clarifications	Waivers/clarifications for late fees and deadlines	Notifications issued to ease compliance burden (due date extensions, GST late fee waivers).	Central Tax Notifications

### 3. MCA & NFRA- Key Regulatory Changes

Area	Earlier Position	Revised Position	Regulatory Ref.
Director Compliance (KYC)	Companies Directors Appointment & Qualification (Amendment) Rules, 2025	DIR-3 KYC: three-year filing; updates within 30 days. Effective: 31 March 2026.	MCA Official PIB Release (Notification)
NFRA Governance (Membership)	NFRA Appointment of Part-Time Members (Amendment) Rules, 2025	MCA revised NFRA part-time member list, strengthening oversight and representation.	MCA Notification (G.S.R. 42(E) dated 13 Jan 2026)
Small Company Threshold Revision	Companies (Specification of Definition Details) Amendment Rules, 2025	Small company thresholds raised (₹10 crore capital, ₹100 crore turnover). Effective: 1 Dec 2025.	Official Gazette (G.S.R. 880(E), 1 Dec 2025)

### 4. RBI- FEMA & LRS Regulatory Changes

Area	Earlier Position	Revised Position	Circular
FEMA – Export & Import of Goods and Services	Separate rules for exports & imports	Unified FEMA rules; export/import compliances streamlined. Effective: 1 Oct 2026.	FEMA 23(R)/2026-RB
FEMA – Guarantees	Previous guarantees rules 2000	Updated cross-border guarantee rules; reporting and compliance mandatory; effective Jan 2026	FEMA 8(R)/2026-RB
FEMA – Foreign Currency Accounts / IFSC	Existing FEMA 10(R) 2015 rules	Includes IFSC accounts; export proceeds retention allowed up to 3 months; effective 2025	FEMA 10(R)(7)/2025-RB

## Legal Updates



Compiled by  
**CA Raman Arora**  
Partner, PRANV & Associates

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### 1. Erroneous Concessions by Counsel Cannot Override Substantial Questions of Law: SC remands Woodland (Aero Club) Director v. ACIT (27 Jan 2026)

#### Facts

The assessee faced tax additions due to counsel concessions, including a ₹12.23 crore transfer pricing adjustment and a ₹4.24 crore disallowance under Section 36(1)(va). The Delhi High Court upheld them without examining the merits.

#### Decision & Rationale

The Supreme Court held that mistaken concessions by counsel cannot bind an assessee on substantial questions of law, stressing that cases must be decided on merits and reinforcing procedural fairness in faceless assessments and DRP proceedings.

### 2. Treaty Shopping Denied Despite TRCs- GAAR Overrides DTAA: Tiger Global Mauritius Entities v. CIT (Supreme Court)

#### Facts

Tiger Global's Mauritius entities claimed capital gains exemption under the India-Mauritius DTAA based on TRCs, while the Revenue argued they lacked substance and functioned only as conduit entities.

#### Decision & Rationale

The Supreme Court denied treaty benefits, holding that TRCs are not conclusive where substance is lacking. Applying GAAR, it stressed real control and economic presence, reinforcing substance over form in cross-border taxation.

### 3. Electricity Supplied from SEZ to DTA Is Not 'Imported Goods': Adani Power Ltd. v. Union of India (Supreme Court)

#### Facts

Customs authorities levied customs duty on electricity supplied from a Special Economic Zone (SEZ) to the Domestic Tariff Area (DTA), treating such supply as import of goods. The Gujarat High Court upheld the levy, leading to significant duty demands on SEZ-based power producers supplying electricity to DTA consumers.

#### Decision & Rationale

The Supreme Court overturned the High Court ruling, holding that electricity is not "imported goods" for customs duty. It stressed that taxation requires clear statutory authority, quashed the duty demands, and directed refund processing subject to verification.

### 4. Cancellation of Realty Projects Does Not Erase Taxability of Receipts: ITO v. O3 Developers Pvt. Ltd. (Supreme Court)

#### Facts

The assessee, a real estate developer, received booking advances during a residential project that was later cancelled and refunded. It claimed these receipts were deposits and not taxable income.

#### Decision & Rationale

The Supreme Court upheld the tax additions, holding that booking advances received in the course of business are taxable as business income. Subsequent project cancellation does not negate income already accrued, which must be assessed under Section 4.

### 5. Shares Received on Amalgamation Taxable Only If Real Income Arises: Jindal Equipment Leasing & Consultancy Services Ltd. v. CIT (Supreme Court)

#### Facts

Under a court-approved amalgamation, the assessee received shares of the amalgamated entity, which the tax department sought to tax as income by treating the allotment as a taxable benefit.

#### Decision & Rationale

The Supreme Court applied the real income doctrine and ruled for the assessee, holding that share allotment under amalgamation does not create taxable income unless real gains arise, as it is a restructuring of ownership rather than an income event.

## 6. GST Appellate Pre-Deposit Refunds Not Governed by Section 54: State of Jharkhand v. BLA Infrastructure Pvt. Ltd. (Supreme Court)

### Facts

The taxpayer sought refund of GST appellate pre-deposit after succeeding in appeal. The GST authorities delayed the refund by applying Section 54, including the two-year limitation period, treating the pre-deposit as a normal tax refund.

### Decision & Rationale

The Supreme Court held that pre-deposit refunds are governed by Sections 107(6) and 115, not Section 54, and are not subject to limitation. Refunds must be issued within four weeks with mandatory interest for delays, strengthening taxpayer rights.

## 7. 100% GST Penalty Upheld for Wilful Non-Filing of Returns: Sriba Nirman Co. v. Commissioner (Appeals) (Supreme Court)

### Facts

The assessee raised invoices aggregating to ₹920.92 crore but failed to file GST returns for the relevant period. Tax was paid only after detection by DGGI. The assessee cited financial hardship as justification for non-compliance.

### Decision & Rationale

The Supreme Court upheld 100% penalty under Section 74, holding that non-filing of returns itself constitutes suppression of facts. Subsequent payment of tax does not cure the default, and financial hardship is not a valid defence. Immunity is available only if tax, interest, and reduced penalty are paid before issuance of notice.

# Compliance Calender

## 1. Income Tax

Event Date	Applicable Form	Obligation
07/02/2026	ITNS-281	Payment of January TDS/TCS; government book-entry payments due the same day.
07/02/2026	Form 27C	Seller to upload declarations received in January, from buyers for non-deduction of TCS.
14/02/2026	Form 16B	Issue of TDS Certificate u/s 194-IA for TDS deducted on Purchase of Property in December.
14/02/2026	Form 16C	Issue of TDS certificate under Section 194-IB for rent above ₹50,000 where the lease ended in December.
14/02/2026	Form 16D	Issue of TDS Certificate for tax deducted u/s 194M on certain payments by individual/HUF in December.
15/02/2026	Form 16E	Issue of TDS Certificate for tax deducted u/s 194S on Virtual Digital Assets in December.
28/02/2026	Form 26QC	Deposit of TDS u/s 194-IB @5% on rent over ₹50,000 where the lease ended in January.
28/02/2026	Form 26QD	Deposit of TDS on certain payments made by individual/HUF u/s 194M for January.

## 2. Goods and Service Tax

Event Date	Applicable Form	Obligation
10/02/2026	GSTR- 7	Monthly Return by Tax Deductors for January.
10/02/2026	GSTR- 8	Monthly Return by e-commerce operators for January.
11/02/2026	GSTR- 1	Monthly Return of Outward Supplies for January.
13/02/2026	GSTR- 6	Monthly Return of Input Service Distributor for January.
13/02/2026	GSTR-5	Monthly Return by Non-resident taxable person for January
13/02/2026	IFF	Details of monthly B2B invoices by QRMP taxpayer for January (Optional)
20/02/2026	GSTR-5A	January monthly return for non-resident OIDAR and online money gaming providers.

Event Date	Applicable Form	Obligation
20/02/2026	GSTR-1A	Amend non-GSTIN particulars in January GSTR-1 before filing the corresponding GSTR-3B.
20/02/2026	GSTR-3B	Summary Return cum Payment of Tax for January by Monthly filers. (other than QRMP).
28/02/2026	GSTR-11	January GST return by UIN holders (e.g., embassies) for refund of GST paid.

#### 4. Miscellaneous

Event Date	Act	Applicable Form	Obligation
07/02/2026	FEMA	ECB-2	Return of External Commercial Borrowings for January.
15/02/2026	ESI	ESI Challan	ESI payment for January.
15/02/2026	Provident Fund	Electronic Challan cum Return (ECR)	E-Payment of PF for January.

## Events and Participation



### AI by PhD Chamber of Commerce:

The AI@Work Workshop, organised by the PHD Chamber of Commerce and Industry in coordination with Rukminidevi Institute of Advanced Studies on 10 January 2026, highlighted AI as a productivity enabler rather than a threat. The session focused on the practical application of AI in day-to-day professional work and showcased tools such as Agent AI, Copilot, Elicit AI, Perplexi

ty's Comet Browser, and advanced Excel features, demonstrating how these technologies can enhance efficiency, accuracy, and decision-making.

A key takeaway from the workshop was the importance of continuous upskilling, as professionals who understand and effectively adopt AI tools will gain a clear competitive edge in the evolving workplace. The discussions reinforced the idea that AI is best viewed as a support system that augments human capability rather than replacing it. The workshop was attended by CA Rakesh Tayal, CA Shubham Goyal, and CA Pooja Pandey.

### Accelerating Social Impact- NSE-SSE Meet, Jaipur

The NSE-SSE Meet on “Accelerating Social Impact”, organised by the National Stock Exchange – Social Stock Exchange (NSE-SSE), was held on 23 January 2026 at IIHM University, Jaipur. The programme provided an overview of the Social Stock Exchange framework and its role in facilitating structured and transparent funding for social enterprises and not-for-profit organisations. The event featured a panel discussion focusing on governance, accountability, and the practical challenges involved in mobilising social capital. Sessions on Social Impact Bonds and outcome-stock-based funding highlighted innovative financing mechanisms aimed at linking funding with measurable social outcomes. In addition, presentations by NGOs offered valuable insights into grassroots initiatives and on-ground impact. CA Rakesh Tayal attended the meet along with CA Article Sheetal Agarwal, making it an insightful and informative experience on advancing structured social finance.



## Inauguration of Plumage Office

Witnessing the opening ceremony of Plumage Technology's new office was truly inspiring and reflected the belief, "We grow as you grow." Their journey highlights how real growth is built through patience, clarity, and consistent effort. Under the calm and visionary leadership of Mr. Mukesh Gupta, MD & Promoter, the company has achieved remarkable growth from ₹50 Cr to ₹500 Cr. Equal credit goes to promoter Mr. Raghav Gupta and the dedicated leadership team; Sumit, Sunil, Maharishi, and the entire Plumage family; whose collective commitment made this milestone possible. Congratulations to Plumage Technology, and wishing the team continued growth and shared success ahead.



## Visit to Rashtrapati Bhavan

On Sunday, 11 January 2026, a professional exposure visit to Rashtrapati Bhavan, the official residence of the President of India, was undertaken. Over 300 Chartered Accountants participated, creating opportunities for learning and professional interaction. The firm was represented by CA Rakesh Tayal, CA Nitesh Gupta, CA Hardik Agarwal, and CA Pooja Pandey. During the tour, participants explored grand meeting halls and official spaces, and viewed historical artifacts, paintings, and architectural elements reflecting India's rich heritage and Sir Edwin Lutyens' design legacy. The visit offered valuable insights into the historical, architectural, and national significance of Rashtrapati Bhavan.

## IVSB-ICAI 9th Meeting

CA Rakesh Tayal attended the 9th meeting of the IVSB-ICAI, held on 27 January 2026 at ICAI Bhawan, ITO. The meeting focused on recent developments impacting the profession, evolving standards, and emerging areas of opportunity for chartered accountants. Deliberations offered insights into the strategic direction of the profession and the role of valuation and standard-setting in a changing regulatory and economic environment. The forum also enabled interaction and exchange of perspectives with senior professionals and key contributors shaping the future of the profession.

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### Editor Profile

Mr. Rakesh Tayal is a Chartered Accountant with over 23 years of experience in business valuation, M&A advisory, and corporate finance. He is an IBBI Registered Valuer (Securities & Financial Assets) and a SEBI-empanelled Social Impact Assessor, with extensive experience in valuing Indian corporates, multinational companies, and start-ups for regulatory, transaction, and accounting purposes.

He is the Founder of P R A N V Group & Partner at P R A N V & Associates, ESG PRO, SHAR & Associates LLP, and is actively involved as a guest faculty and speaker with ICAI, ICMAI, and leading management institutions.

**We Grow, As You Grow**

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					 PINKISHE Foundation
<b>Startups</b>					
 Insect Protein	 Agritech	 Automotive	 New Age EV tech	 E Commerce Start up	
				 Hotel & Leisure	
				 educate girls	
				 Routes 2 Roots	

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