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A Visionary and a great leader in action. Bharat Nirman: A Decade of Progress and Key Facts



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In August 2013, a global investment bank placed India among the "Fragile Five" economies. The rupee had lost about a fifth of its value that year, retail inflation touched 11.2% by November, and the current account deficit for 2012-13 stood at 4.8% of GDP. The Centre's capital spending was about ₹2 lakh crore, and major defence purchases moved slowly. This is

the starting line against which the years since 2014 should be read.

The economy. India grew 7.7% in 2025-26, with manufacturing up 10.7%. Retail inflation averaged 1.7% from April to December 2025, the lowest since the series began. Foreign exchange reserves reached a record \$709 billion in January 2026 and exports a record \$863 billion. Per capita income has roughly doubled, from \$1,438 in 2013-14 to about \$2,880. India is the world's third-largest economy in purchasing-power terms; in nominal terms the IMF places us sixth, at about \$3.9 trillion for 2025. The \$5 trillion goal, set in 2019, is the next milestone and is within sight, not yet reached.

Tax and finance. GST replaced a maze of Central and State levies with one national tax. Registered taxpayers have grown from 66.5 lakh to about 1.65 crore, and gross collections reached ₹22.27 lakh crore in 2025-26. Faceless assessment has made income-tax scrutiny electronic and impersonal, the new Income-tax Act took effect on 1 April 2026, and a faceless GST assessment model is planned from 2027-28. Central capital expenditure is budgeted at ₹12.2 lakh crore for 2026-27, about six times the 2014-15 level, while banks' gross NPAs have fallen from 11.2% to 1.8%.

Infrastructure and energy. National Highways have grown from 91,287 km to 1,46,572 km. Operational airports have risen from 74 to 165, metro lines from 248 km to over 1,150

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57th GST Council Reforms and Business Impact



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The 57th GST Council reflects a government responsive to industry and the people of India, and open to change through consultation. Its recommendations address blocked credit, procedural friction and disproportionate enforcement, promising improved cash flow, lower compliance costs and greater ease of doing business.

Council recommendations require enabling amendments,

notifications or circulars; eligibility conditions apply. Impacts below are expected benefits.

Registration and MSMEs: Clear document guidelines, revised REG-01 and portal guidance; automatic amendments except specified principal-place changes; phased cancellation/revocation and rationalised cancellation grounds. Eligible online goods sellers may use ECO warehouses in States without physical presence, subject to consent and home-State verification and monthly ITC passed on up to ₹2.5 lakh, excluding stock transfers. Optional Annual Return Quarterly Payment (ARQP), approved in principle, covers exclusively B2C taxpayers with preceding-year turnover ≤ ₹5 crore. Entry and expansion become easier.

Returns and refunds: Reconcile GSTR-1/1A, IFF, GSTR-3B and GSTR-2B; add RCM and reversal/reclaim statements, improve IMS and DRC-03 identification, and align filing and ITC time limits. Revised return mechanism proposed from April 2027 after consultation. Refund Phase 1: automatic cash-ledger refunds; acknowledgement/deficiency period 15 to 10 days, with deemed acknowledgement; automated 90% provisional refunds for eligible low-risk zero-rated/inverted-duty claims, proposed within three working days of acknowledgement. Phase 2: system acknowledgement and full eligible zero-rated refunds after dues/risk checks. Simpler RFD-01/uploads, removal of the 1.5-times domestic-value turnover cap and aggregate ₹1,000 refund threshold release working capital.

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Credit and investment: Inverted-duty refunds include input-service ITC availed from 1 November 2026; inversion must still arise from input-goods versus output rates. Capital-goods ITC from 1 April 2027 enters inverted-duty and zero-rated LUT/bond refunds over 60 months. Remove specified Section 17(5) blocks for outdoor catering, health/life insurance, telecom towers, pipelines outside factories, free samples and legally required expiry-related destruction/write-offs. Employers, telecom and manufacturers gain.

Disputes and enforcement: Omit Section 69 arrest powers; raise prosecution threshold ₹1 crore to ₹5 crore; narrow Section 132 offences, including fraudulent-ITC clause (c), and rationalise punishment. Common notice/order standards; ₹10,000 aggregate tax/cess notice threshold, including specified pending cases; 5% non-fraud penalty on tax/interest payment within 30 days under Section 73 or 60 days under Section 74A of the order; Section 125 maximum ₹25,000 to ₹10,000; penalty-only appeal pre-deposit cap ₹40 crore; clarify pre-deposit refund interest under Section 115. Multi-year-notice validation requires scrutiny.

Logistics and exports: Intelligence-based interception needs Joint Commissioner-or-higher authorisation; supplier/recipient States only, except missing e-way bill/origin-destination documents; Section 130 confiscation excluded in transit. Ease same-entity establishment restrictions for service exports, clarify permissible forex/rupee receipts, revise place-of-supply for services on physically provided goods, clarify conditional SEZ/FTWZ overseas-buyer zero-rating, and omit Rule 96(10) retrospectively from 23 October 2017. Exporters and logistics benefit.

Goods and agriculture: Clarify sublimation paper (4809), toys including dolls/puzzles (9503), registered seaweed bio-stimulants (3101), and second-hand vehicle margin-scheme input/service ITC excluding purchased vehicles; regularise specified past paper/bio-stimulant cases. Specified plastic/electrical/electronic/tyre waste and used cooking oil: unregistered-to-registered RCM and registered-to-registered 2% TDS. Nil GST for fresh/chilled/frozen/dried Isabgol seeds; re-treaded tractor tyres aligned with new tyres; specified historical CSD/canteen cess exemption. Scrap-sector compliance increases.

Mobility and digital commerce: EV passenger transport/rentals with operators and charging included: 5% option with restricted ITC. Specified ECO delivery: 5% without ITC; Section 9(5) platform liability for qualifying below-threshold delivery suppliers, excluding courier/postal; remove GTA exemption for transport of ECO-ordered goods. Clarify ECO liability across business models and statutory/ancillary leasing recoveries. Credit restrictions affect pricing.

Services and administration: Limited same-category ITC for restaurant/outdoor catering, hotels up to ₹7,500/unit/day

and fitness; specified exemptions for northeastern/Sikkim/Bagdogra helicopter seat-sharing, sowing-seed storage, coffee curing, SPFO services, no-consideration overseas-related shipping services (past regularisation), and TOT toll rights; special TOT O&M valuation/payment procedure. R&D self-certification; bank FTP-interest clarification. IPR transfers, temporary/permanent, uniformly treated as services. Other measures: Rule 86A objections/hearing; late-fee waiver for eligible preceding-year turnover ≤ ₹5 crore filing by due-month end; ISD, Section 17(4) bank/NBFC and demonstration-vehicle ITC clarifications; RCM unregistered-domestic/import-service e-invoicing at turnover ≥ ₹5 crore; GSTAT alignment with 2026 tribunal reforms.

Further action: Priorities are timely implementation, clear transitions, reliable portals, uniform enforcement, final ARQP rules and protection of genuine buyers from supplier defaults, under committee review. Faster refunds and lower compliance costs should measure success; e-invoicing and multi-year-notice changes need careful implementation.

LATEST IN FINANCE

Cabinet approves green energy corridor III

The Cabinet approved a scheme with a project outlay of ₹1.86 lakh crore to help states develop transmission corridors for green energy by laying new lines or upgrading the existing network and build battery storage systems. The scheme involves a central financial support of ₹54,082 crores.

RIL plans ₹1 trn biogas venture in Andhra Pradesh

RIL is planning to invest Reliance Industries limited is planning to invest ₹1 trillion to set up compressed biogas (CBG) projects in Andhra Pradesh.

RBI Grants Funds One-time Nod to Buy 10% in Banks

The Reserve Bank of India (RBI) has introduced a one-time approval facility for eligible mutual funds, insurance companies and pension funds to make subsequent acquisitions in banks, taking their aggregate shareholding up to 10% of paid-up share capital or voting rights. Prior RBI approval will continue to be required for the initial acquisition of major shareholding. Eligible investors must not belong to the bank's promoter group and must satisfy the applicable fit-and-proper criteria. Applications are to be submitted through the PRAVAAH portal, along with the prescribed declaration. RBI may revoke the approval in case of non-compliance or failure to meet eligibility conditions.

Banks Face Tighter Disclosure Requirements on Bulk Deposit Rates

As per the directions came on October 1, the RBI amended the directions on interest rates on deposits, mandating banks to disclose interest rates on bulk deposits defined as those above ₹3 crores, on their websites between 10:00 AM and 10:10 AM each day.



DISCIPLINE
अनुशासन के लिए हम प्रतिबद्ध हैं



Banks to Enforce 60-Day Debit Restrictions on Suspected Mule Accounts

The Reserve Bank of India (RBI) has proposed a standard operating procedure (SOP) for temporary debit holds on accounts or amounts suspected of being linked to money-mule activity and cyber fraud, following a Supreme Court order. Key Provisions:

- Banks must promptly notify customers of the hold and reasons.
- The entire account may be held if identified as a suspected mule account.
- Customers get 20 days to explain or justify the transaction.
- Banks must decide within 10 days of receiving the explanation.
- If no explanation is received, banks get 30 days to decide.

New Zealand FTA to give Indian goods nil duty access from October 20

The India – New Zealand FTA will come into force on October 20, allowing duty free exports of 100 percent of Indian goods, including labour-intensive products such as textiles, carpets, chemicals, gems and jewellery, pharmaceuticals, automobiles, auto components and machinery. On day 1, 57% of New Zealand exports, including sheep meat, wool, wood products and coal, will be completely tariff-free. New Zealand has committed \$20 billion in FDI India has protected sensitive sectors such as dairy, and key commodities, including onion chickpea, maize, almond and sugar. Indian services get access to 118 sectors, plus 5000 skilled- worker visas a year

After three decades of litigations, Roys retain hold on peerless

The Roys of Peerless have won a three-decade long legal battle to retain control over the 94-year-old conglomerate with business interests spanning financial services, healthcare, real estate and hospitality. The Supreme Court dismissed a petition filed by Bhagwati developers a real estate company originally incorporated as Lodha services, against the promoters of peerless bringing the curtain down on one of India's longest corporate legal battles. The Roy family holds about 66% stake in the company.

India Inc. Individuals could soon get to settle fund diversion cases

SEBI proposes allowing companies and individuals accused of diverting funds from listed companies to settle cases, a route currently barred in such matters. Under the proposed framework, settlement may be considered if offenders return the diverted funds with interest to the company and make appropriate disclosures to investors. This would mark a shift from SEBI's existing approach, which generally excludes such cases from settlement due to the potential harm to investors and market integrity.

Banks to Face New Market-Risk Capital Framework from April 2027

The Reserve Bank of India has issued directions for Commercial Banks to prescribe the regulatory treatment of market risks arising from **interest-rate, equity and foreign-exchange exposures, besides setting requirements relating to trading and banking books**. They also provide rules on the treatment of debt mutual funds and ETFs held in the trading book, foreign-exchange positions and positions hedged through credit derivatives.

RBI Bulletin: developments to watch

- Food and fuel push headline inflation to 4.8%-
- Indian economy grows 7.8% in Q1 FY27.
- Private corporate capex pipeline estimated at ₹3.2 lakh crore credit-deposit ratio remains above 80%.

Bankers' Books Evidence Act, 2026 Comes into Force

The **Bankers' Books Evidence Act, 2026** came into force on **1 October 2026**, replacing the 1891 law and modernising the evidentiary framework for banking records. The new Act recognises **physical, electronic and digital banking records** as evidence.

FEMA

RBI tightens export realisation timelines under FEMA

The Reserve Bank of India has amended the Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026, **with effect from October 1, 2026**. The amendment reduces the period for realisation and repatriation of export proceeds from 15 months to 9 months. For exports invoiced and/or settled in Indian rupees, the period prescribed under the first proviso has been reduced from 18 months to 12 months. The amendment also provides transitional protection to exporters who were on the Caution List as on September 30, 2026; such exporters will continue to be governed by the applicable existing order until their removal from the list.

Banks Empowered for Export Import monitoring:

Importantly, a new Regulation 20 empowers Authorised Dealers to handle specified export, import and merchanting-trade transactions undertaken before October 1, 2026, which had earlier required RBI approval. The change is expected to simplify the handling of specified legacy FEMA cases by shifting the approval-handling role to Authorised Dealers.

FEMA Framework Undergoes Regulatory Clean-up

The Reserve Bank has withdrawn seven old circulars. The withdrawn circulars relate mainly to areas such as External Commercial Borrowings (ECB), borrowing and lending in rupees and the Money Transfer Service Scheme. The withdrawal does not affect the current FEMA framework but removes instructions that are no longer applicable



TRUTH
सत्य के लिए हम प्रतिबद्ध हैं



Marcellus gets SEBI final nod to launch MF biz

Marcellus investment managers said it has received final approval from SEBI to commence its MF business. The approval will allow the AMC to expand its research led long-term investment approach beyond its existing PMS and AIF offerings to a wider base of investors.

Fast-track route brings in 164 foreign investors

India's new SWAGAT-FI scheme has received 164 registrations in just over 100 days since its launch on 1 June 2026. The scheme provides a faster and simpler entry process for trusted foreign investors, with the aim of attracting more stable and long-term foreign investment into India.

Amid elevated yields, large groups tap debt markets

Reliance's 12,000-crore bond issue carries a 7.6% coupon issue carries a 7.9% coupon, which is 74 basis points above the 10-year benchmark government bond yield of 7.16%. Adani Airports, too, raised 1,000 crores at a rate of 8.96% for three years. SIDBI also withdrew its 6,000-crore bond auction due to higher-than-expected rates. SIDBI was receiving bids at around 8.03%, above its targeted borrowing cost of 7.80%-7.90%.

US 30-year Treasury yield touches its highest level since 2002

The US 30-year Treasury yield has climbed to its highest level since 2002, with the long end of the US curve under pressure from inflation concerns, higher oil prices and expectations that interest rates may remain elevated for longer. The benchmark 10-year Treasury yield also reached about 5.293%, its highest level since June 2007. The rise comes against a backdrop of renewed energy-price pressure caused by the Middle East conflict and uncertainty over the path of US monetary policy. Higher US yields matter globally because US Treasuries are a reference point for the pricing of sovereign and corporate debt across markets. For India, the transmission can show up through foreign portfolio flows, rupee pressure, bond yields and the cost of external funding.

PRIM widens access to wealth management

The PRIM framework allows portfolio managers to offer customised portfolios with a minimum investment of 25 lakh, using direct mutual fund plans, index funds, ETFs and SIFs. Changes include exit-load waivers on redemption, a 1% cap on fixed management fees, and relaxed eligibility requirements for portfolio managers.

FPIs Withdraw ₹3 Lakh Crore from Equities; Bond Selling Resumes

Foreign portfolio investors (FPIs) withdrew over 3 lakh crore from Indian equities in the first nine months of 2026 and ₹9,192 crore from government securities under FAR in September, ending a five-month buying streak. Geopolitical tensions and rising crude oil prices weighed on debt demand.

Tokenised corporate bonds enter the market through Demat 2.0 pilot

The securities-market regulator has launched the "Demat 2.0" pilot to test the issuance, holding, trading and settlement of corporate bonds in tokenised form.

New framework strengthens oversight by Debenture Trustees

A new Master Circular for Debenture Trustees was issued replacing the August 2025 circular and consolidating the regulatory requirements applicable to trustees.

Compliance eased for FPIs investing only in Government securities

Foreign Portfolio Investors that invest only in Government securities will no longer be required to furnish investor-group details, irrespective of the route through which they invest.

IMPORT EXPORT**Compliance burden eased for export shipments up to ₹3 Lakhs**

Exporters will not be required to obtain Registration-cum-Membership Certificate (RCMC) for shipments valued up to ₹3 lakh, thereby reducing compliance burden for new and small players.

RoDTEP Scheme Extended Until December 2026

The Department of Commerce, has vide Notification No. 41/2026-27 extended the continuation of Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme up to 31st December 2026 and shall be available for exports made by Domestic Tariff Area (DTAs) Units, Advance Authorisation (AA) Holders, Special Economic Zone (SEZ) Units and Export Oriented Units (EOUs).

DIRECT TAX**TDS returns can now be filed directly ONLINE through the TRACES Portal itself!!**

No need to first file on the Income Tax portal, wait for transfer to TRACES, and then processing. For multiple deductees, a Bulk Upload facility is also available.

CBDT drops arrest, detention from recovery rules

In a notification issued on September 17, the CBDT amended Rule 225 of the IT Rules 2026, which deals with recovery of tax arrears. The amendment omits a provision referring to the power to arrest and removes the words "except arrest and detention" from another provision. It also deletes several other sub-rules of Rule 225. The amendments to Rule 2 to 4, including Rule 225, have been given retrospective effect from April 1, 2026.

Taxman's jarring move opens fresh debate over Mauritius treaty

In end March this year the apex body Central Board of Direct Taxes (CBDT) issued a notification to clarify that earnings from transfer of stocks acquired before April 1, 2017 would not be impacted by GAAR. This came as a relief to foreign portfolio investors (FPIs) as well as foreign direct investors like private equity and VC funds. Against this backdrop the

invocation of JAAR, a similar tool in the Armoury of the taxman has stunned many. Even though technically the tax department has the power to invoke JAAR, the recent move was entirely unforeseen following the CBDT assurance and subsequent change in the law to spare grandfathered shares from GAAR.

CBDT extends IT return filing deadline for audit cases to November 21

The Central Board of Direct Taxes (CBDT) extended the deadline for filing income tax returns for assessment year (AY) 2026-27 to November 21 from October 31. This is for companies and taxpayers whose accounts are required to be audited under the Income Tax Act, including partners of firms whose accounts are subject to audit. This gives these taxpayers extra time to complete all its reconciled accounts and file returns. The CBDT also extended the deadline for furnishing the text audit report to October 21 from September 30.

DIRECT TAX CASE LAWS

SC to hear Centre's plea on IT reassessment order

The Supreme Court agreed to hear the government's appeal challenging a Punjab and Haryana High court order which struck down section 147A of the Income Tax Act concerning the jurisdiction of the assessing officer in reopened assessments. The section, introduced by the Finance Act, 2026 to retrospectively amend the law, clarified that from April 1, 2021, jurisdictional assessing officers (JAOs) not the faceless system, were the authority to issue reassessment notices. The matter concerns reassessment proceedings involving more than 2,00,000 taxpayers. The High Court in its judgment on September 10, 2026, held that the retrospective provisions could not validate reassessment notices issued by JAOs when the faceless reassessment scheme was in effect. It quashed a batch of reassessment tax notices issued to assessee holding that these notices were not issued through the process of randomised allocation of assessing officers and in a faceless manner. It held that reassessment proceedings began by JAOs in breach of these procedures were invalid. While seeking urgent hearing on the appeal against the HC's judgment additional solicitor general N Venkatraman told a bench led by CJI Surya Kant that the High Court decision created a "huge vacuum in law".

Bombay High Court Quashes Faceless Assessment for Denial of Effective Opportunity of Hearing

The Bombay High Court, set aside a faceless assessment order after finding that the assessee was not afforded an effective opportunity to present his case. During the assessment proceedings, the assessee had sought additional time to respond, but the request was not properly considered before the assessment was finalised. Documents subsequently uploaded by the assessee were also not considered while passing the assessment order. The Court held that the faceless nature of the proceedings does not dispense with the requirements of natural justice and a

meaningful opportunity of hearing. Consequently, the assessment order was quashed and the matter was restored to the stage of the show-cause notice for fresh adjudication after providing the assessee an appropriate opportunity to submit his response and supporting documents. The ruling underscores that electronic or faceless assessment procedures must still comply with fundamental procedural safeguards. *Jitendra Jamnadas Ashar v. Additional / Joint / Deputy / Assistant Commissioner of Income Tax/Income-tax Officer & Ors.. Decided on 18th September 2026.*

ITAT Nagpur Holds BSNL VRS Compensation Fully Exempt as Retrenchment Compensation

The Nagpur ITAT has ruled in favour of BSNL employees who received compensation under the 2019 VRS, holding that the payments constituted retrenchment compensation eligible for full exemption under Section 10(10B) of the Income-tax Act, rather than VRS compensation subject to the ₹5 lakh ceiling under Section 10(10C). The Tribunal also held that the claim could be entertained at the appellate stage despite not having been made in the original return. It directed the assessee to submit revised computations to their jurisdictional Assessing Officers for verification and grant of consequential refunds. *Yogesh Shyam sunder Maheshwari, Mumbai v. DCIT/ACIT, Circle-3, Nagpur & Ors.*

ITAT Delhi Invalidates Reassessment After Four Years for Lack of Failure to Disclose

The assessee's assessment was completed under Section 143(3). After four years, the Assessing Officer reopened the assessment under Section 148, alleging that cash credited in the bank account from the sale of shares was not genuine. However, the assessee had already disclosed all relevant details during the original assessment, and there was no allegation that the assessee had failed to disclose fully and truly all material facts. Held: Since the reopening took place after four years and the required condition of failure to disclose material facts was not satisfied, the reassessment was invalid and bad in law. *Ms. Sangeeta Sharma v. ACIT, ITA No. 7605/Del/2025, AY 2012-13, ITAT Delhi.*

GST

GSTN Introduces Multistate Registration Facility for GST Registration

GSTN has enabled Normal Taxpayers to apply for GST registration across multiple States/UTs under the same PAN through a single initiation process. A Master TRN allows common details—business, promoters/partners, authorised signatories and goods/services—to be submitted once, with separate TRNs generated for each State/UT. State-specific business addresses and Aadhaar authentication must still be provided.

— CELEBRATING —

40

— YEARS OF EXCELLENCE —

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GST Portal enables appeals where demand is shown as NIL

GSTN has removed a portal-level restriction that previously prevented taxpayers from filing appeals where a demand order showed NIL/zero demand, even though a dispute regarding liability existed. The change applies where the taxpayer had already made the relevant payment before the demand order was issued. Such taxpayers can now file Form GST APL-01 against the order through the GST portal

GST CASE LAW

Blocked ITC under Rule 86A cannot be treated as GST appeal pre-deposit

The Delhi High Court held that ITC blocked under Rule 86A of the CGST Rules cannot be counted towards the mandatory pre-deposit required for filing a GST appeal under Section 107(6). The Court distinguished blocked credit from ITC that has actually been utilised or appropriated by the taxpayer. Consequently, taxpayers cannot rely on a blocked electronic credit ledger balance to satisfy the statutory appeal pre-deposit requirement.

Biometric Aadhaar authentication mandated for GST registrations

The Delhi High Court directed that biometric Aadhaar authentication must be completed for new GST registrations across India. The ruling strengthens the identity-verification requirements at the registration stage and is aimed at preventing fraudulent or fictitious registrations.

Bengal AAR allows GST free recovery of electricity costs

The West Bengal Authority for Advance Ruling (AAR) has held that electricity charges recovered by a commercial building maintenance company from occupants at actual cost, without any markup or profit, will not attract Goods and Service Tax (GST).

OTHER LAWS

IRDAI eases dividend repatriation rules for foreign owned arms

The insurance regulatory and development authority of India (IRDAI) allowed insurance intermediary with majority stakes held by foreign investors to repatriate dividends without the regulator's approval, in line with the Sabka Bima Sabki Raksha Act.

Government extends RELIEF scheme to shield exporters from West Asia disruption

The government has extended the operational timelines of a key component of its RELIEF scheme to provide insurance protection to exporters facing elevated freight insurance and war related risk amid continuing disruption in the West Asia maritime corridor. Under the component, exporters shipping to specified regions can obtain Export Credit Guarantee Corporation of India (ECGC) cover with 95% risk coverage for upcoming consignments.

Moratorium cover ends for Personal Guarantors:

The Insolvency and Bankruptcy Board of India (IBBI), in its recent circular inserted Section 96(4) and Section 124(4) into the IBC, providing that the interim moratorium under these provisions shall not apply to a personal guarantor to a corporate debtor with effect from 26th May 2026. Lenders to Insolvent companies can now step up recovery action against personal guarantors even in cases pending before the National Company Law Tribunal (NCLT).

IBBI Directs IPs to Check Misuse of IBC

IBBI has received reports from law enforcement and regulatory agencies about the misuse of the IBC, 2016, for purposes other than insolvency resolution or liquidation. Vide Circular No. IBBI/CIRP/105/2026, it has advised Insolvency Professionals (IPs) to remain vigilant and identify potential indicators of such misuse. Key Indicators of Potential IBC Misuse: Debt transferred to a single creditor shortly before CIRP, giving it CoC dominance; related companies entering CIRP around the same time with common directors or overlapping CoCs; few bidders or the same resolution applicant across connected companies; creditor recoveries inconsistent with admitted claims and valuations; links to fraud investigations; and substantial group loans or investments written off without adequate justification. IBBI clarified that these indicators are illustrative, not conclusive, and require further enquiry based on available records during CIRP or liquidation.

IRDAI Removes Dividend Repatriation Approval for Foreign-Invested Insurance Intermediaries

IRDAI has removed the prior-approval requirement for dividend repatriation by insurance intermediaries with majority foreign investment and withdrawn the 10% cap on related-party payments as a share of total expenses.

MCA Warns Public Against High-Return Promises by Nidhi Companies

MCA has cautioned investors against Nidhi Companies promising high returns without proper due diligence. Their deposits are not insured by DICGC, making recovery difficult or incomplete in case of failure or fraud.

OTHER IMPORTANT CASE LAWS

ADMINISTRATIVE LAW

Supreme Court Calls for Uniform Framework to Manage Court-Ordered Deposits

The Supreme Court, in *National Seeds Corporation Ltd. v. National Agro Seed Corporation (India)*, raised concerns over the absence of a uniform framework governing money deposited by litigants during pending appeals. It noted that courts and tribunals manage such deposits on a case-by-case basis, resulting in inconsistent investment returns and disputes over accounting. The Bench called for nationwide legislative reform to standardise the safeguarding, investment and accounting of such deposits. [*National Seeds Corporation Ltd. v. National Agro Seed Corporation (India)*, 2026 INSC 1017.]

'Right to Clean Air' Overrides 'Right to Trade'

The fundamental right of non-smokers to breathe clean air under Article 21 of the Constitution overrides an establishment's commercial right to trade under Article 19(1)(g). Furthermore, the 2017 amendment to **Rule 4(3) of the Prohibition of Smoking in Public Places Rules, 2008** (under COTPA) places an absolute prohibition on any service inside designated smoking areas. The Allahabad High Court held that hookah bars cannot lawfully operate even inside designated smoking areas in Uttar Pradesh and rejected arguments that restaurants could circumvent the prohibition by adopting a self-service model or by describing the supply of a hookah apparatus as a rental rather than a service. [*M/s Aftek Foods and Beverages Pvt. Ltd. v. State of U.P. and Others*]

COMPANY / CORPORATE LAW**Company Can Face Criminal Prosecution Without Identifying a Guilty Individual**

In *Sanofi India Limited v. Central Bureau of Investigation*, the CBI investigated alleged irregularities in procurement transactions relating to the Rare Materials Project at BARC, involving claims of inflated prices and excess quantities of medicines. The Supreme Court held that identifying or prosecuting a specific natural person is not a prerequisite for initiating criminal prosecution against a company. Reaffirming *Iridium India Telecom Ltd. v. Motorola Inc.* (2011), it recognised that a corporation can possess mens rea. [*Sanofi India Limited v. Central Bureau of Investigation*].

ARBITRATION ACT CASES**Section 37 Court Cannot Convert Section 9 Proceedings into Section 17 Proceedings**

the dispute arose from a government infrastructure contract and interim protection sought under Section 9 of the Arbitration and Conciliation Act, 1996, against contract termination. After an arbitral tribunal was constituted, the High Court directed that the pending proceedings be treated as an application under Section 17. The Supreme Court held that this exceeded the appellate jurisdiction under Section 37, as Section 9 applications are decided by courts, while Section 17 independently empowers arbitral tribunals to grant interim measures. [*Union of India & Ors. v. Hariom Projects Pvt. Ltd., Civil Appeal No. of 2026, arising out of SLP (C) No. 33087 of 2026*].

INTELLECTUAL PROPERTY RIGHTS CASES**BECO's Comparative Advertising Campaign Against HUL Fails Permissible Advertising Test**

The Delhi High Court granted interim relief to Hindustan Unilever Limited (HUL) against Kwick Living's BECO advertising campaign comparing its products with HUL's Vim and Surf Excel. The advertisements alleged that ingredients such as "LAS" and "BIT" in HUL's products could cause skin irritation, itching and eczema, while urging consumers to "SWITCH TO BECO". The Court found that the claims, particularly when coupled with the call to switch products, prima facie exceeded the permissible limits of comparative advertising.

It restrained continuation of the campaign, observing that comparative advertising cannot be used to disparage a competitor through inadequately substantiated claims. [*Hindustan Unilever Limited v. Kwick Living (I) Pvt. Ltd. | CS(COMM) 904/2026*]

Audit And Accounts**ICAI brings PSB branch auditors under peer review**

The Institute of Chartered Accountants of India (ICAI) will extend the mandatory peer review requirement to all component auditors undertaking public sector bank (PSB) branch audits from January 2027. The institute is also planning to reduce the time taken to dispose of disciplinary cases against Chartered Accountants (CA'S).

ICAI steps up tax audit scrutiny tenfold

The institute of Chartered Accountants of India (ICAI) has stepped up its tax audit scrutiny tenfold, reviewing 1000 companies with a turnover of over 100 100 crores for assessment A2024205 the institute plans to widen the review for the next year indicating that the exercise is not being treated as a one of scrutiny drive.

NFRA to release Second Staff Series on Tech in Audit

The National Financial Reporting Authority (NFRA) will release the second staff series on Technology involved in the coming weeks taking forward the principle-based framework set out in its first publication in July. The first publication focused on the use of technology in audit planning and risk assessment, substantive and controls testing evaluation of audit evidence and reporting. "Statutory auditors are responsible for the financial statements they endorse in undersign. Citing use of artificial intelligence (AI) cannot be an excuse".

AI**Artificial Intelligence and Copyright: Rethinking the Boundaries of Authorship**

India's **Copyright Act, 1957**, particularly Section 2(d)(vi), recognises authorship in computer-generated works but leaves questions about modern generative AI unresolved.

AI-Assisted Works: May qualify for copyright protection where human contribution meets the applicable originality requirements; using AI does not automatically disqualify a work.

AI-Generated Works: Protection remains uncertain where human creative input is minimal. The law does not expressly recognise AI as a legal author.

Unresolved Training Practices: Section 52(1)(a) does not provide a comprehensive framework for AI training on copyrighted material. The ANI Media v. OpenAI litigation before the Delhi High Court raises related questions.

Call for Legislative Reform: Creators seek greater clarity on authorship, training-data use and fair compensation.

Legal Distinction: AI-assisted works are not automatically protected, nor are all AI-generated works automatically excluded. Copyright depends on statutory requirements, originality and the facts of each case.

► contd. from page 1

EDITORIAL Rastra Nirmata Narendra Modi...

km, and rail electrification has reached 99.6%. Non-fossil sources now supply 54% of installed power capacity, over 300 GW, and solar capacity has grown from 2.8 GW to more than 164 GW.

Security and unity. Article 370 was abrogated on 5 August 2019. Home Ministry data show 344 civilian deaths in Jammu and Kashmir in 2014-24 against 1,769 in 2004-14, and left-wing extremism now touches seven districts, down from 126. Operation Sindoor in May 2025 showed the nation's resolve against terror. Defence production has risen from ₹43,746 crore to ₹1.78 lakh crore, and defence exports to ₹38,424 crore.

People and reform. The 2019 law against instant triple talaq protects Muslim women's rights in marriage. Over 12 crore toilets, 10.5 crore free LPG connections, 15.9 crore rural tap connections and over 3 crore homes have changed daily life. UPI carried 24,162 crore transactions in 2025-26. The World Bank estimates extreme poverty fell from 27.1% in 2011-12 to 5.3% in 2022-23. MBBS seats have risen from 51,348 to 1,29,026.

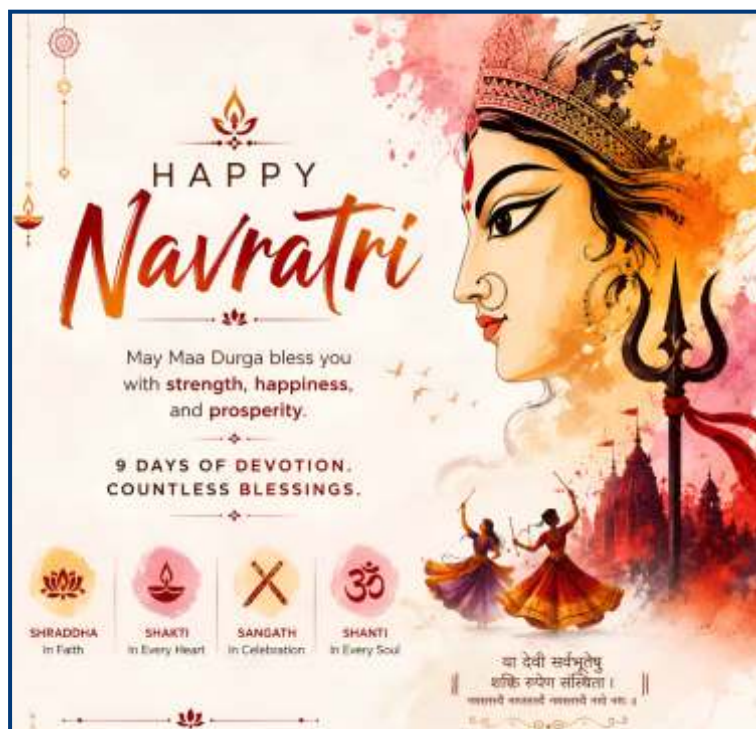
Culture and the world. The Ram Mandir consecration on 22 January 2024, the redevelopment of Kashi, Ujjain and Somnath, the Kartarpur corridor, the return of over 640 antiquities and twelve new UNESCO World Heritage Sites have renewed civilisational pride. India's G20 presidency produced a consensus declaration in New Delhi and a permanent African Union seat. In the fight against Corona epidemic, under Vaccine Maitri about 7.2 crore doses went to 94 countries, while over 200 crore doses were given at home. Trade agreements with the UAE, Australia, EFTA and Oman are in force, and those with the UK, New Zealand and the EU await completion.

What remains. An honest editorial must name the gaps: youth unemployment of 9.9%, slowing formal job additions, modest private investment, uneven education quality and a per capita income still far below our aspiration. Chartered Accountants, at the meeting point of business, tax and governance, have a direct role in closing them.

The road ahead. The goals for the next three to eight years are specific: a \$10 trillion economy, Atmanirbhar Bharat (Self Reliant India), in-depth inclusive sustainable growth in

750,000 villages and 6000 Blocks, NIL unemployment by skilling and educating India, an India flood with opportunities, India to become manufacturing hub of the World, Zero emission of polluted Air or water or sound, the best civilised Society to bring Ram Rajya and Sone ki Chideya in each neighbourhood, 500 GW of non-fossil capacity by 2030, defence production of ₹3 lakh crore by 2029-30, 50% higher-education enrolment by 2035, and the journey to Viksit Bharat by 2047.

To millions of Indians, Prime Minister Shri Narendra Modi is a Rashtra Nirmata, a nation-builder whose vision, structured delivery and constant monitoring, with the support of his ministers and volunteers, have changed the scale of what Bharat attempts. History will give its own verdict. The numbers above are the record. Jai Hind.



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