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Tax Trends

Top Tax News This Week

GST notices cannot be invalidated for lack of sign, says Telangana HC

The Telangana High Court, while deciding a batch of over 500 petitions challenging the validity of unsigned GST notices, held that notices generated through the authorised GST portal cannot be invalidated merely on the ground that they do not bear the physical signatures of the concerned authorities. A Full Bench comprising Chief Justice Aparesh Kumar Singh and Justices N. Tukaramji and G.M. Mohiuddin observed that notices and orders generated through the portal are duly authorised, as officers access the system using digital signatures. The Court directed the petitioners to comply with the outstanding demands within the stipulated period, while clarifying that those who had raised objections against the notices or assessment orders remained at liberty to pursue statutory remedies, including appeals before the competent appellate authority.



The Hindu



Government brainstorming phased cash refunds on tax paid for machinery, capital goods

The GST Council is likely to consider easing ITC rules and introducing a phased mechanism for cash refunds of GST paid on machinery and other capital goods at its meeting to be held on 7 October 2026. The proposals, subject to revenue assessment and Council approval, seek to address the accumulation of unutilised ITC, particularly in capital-intensive sectors and cases involving inverted duty structures. The Council may also consider an automated, risk-based refund mechanism under which around 90% of refund claims could be processed through a faceless system for faster processing of low-risk claims.

Money control

Gujarat industry body writes to Union finance minister Nirmala Sitharaman, seeks fix for import IGST mismatch in GSTR-2B

The Gujarat Chamber of Commerce & Industry (GCCI) has urged Union Finance Minister Nirmala Sitharaman to address the continuing mismatch in reporting of Integrated GST (IGST) paid on imports, wherein Bills of Entry (BoEs) appear in GSTR-2A but are not reflected in the auto-generated GSTR-2B statement. Despite initiatives such as the ‘Search BoE’ facility and integration with the Invoice Management System (IMS), businesses continue to face difficulties in reconciling genuine import-related ITC, even where IGST has been duly paid and the prescribed documents are available. GCCI highlighted that the existing portal-based workaround does not consistently retrieve the relevant records, potentially resulting in system-generated notices, including DRC-01 and DRC-01C, due to mismatches between ITC claimed in GSTR-3B and credit reflected in GSTR-2B. The chamber cautioned that unresolved discrepancies could also lead to restrictions on return filing and increased working capital pressures for importers.



Moneycontrol



GST Council to simplify processes, cut penalties

The GST Council is expected to consider a comprehensive set of process reforms at its October 7, 2026 meeting, including a ₹5,000 threshold for issuing show-cause notices under Sections 73 and 74 of the CGST Act, rationalisation of penalties in non-fraud cases, waiver of late fees for eligible small taxpayers, and streamlined GST registration and cancellation procedures. The proposed reforms may also include measures to reduce ITC and liability mismatches, simplify return filing, address ITC losses due to delayed supplier reporting, extend e-invoicing to specified reverse-charge transactions, treat permanent transfer of IPRs as a supply of services, and bring Metro Rail systems within the e-way bill framework.

Financial Express

ITR deadline extended to November 21: Which taxpayers get the extension?

Taxpayers who are required to get their accounts audited have got some extra time to file their income tax returns for Assessment Year 2026-27. The Central Board of Direct Taxes (CBDT) has extended the deadline for filing the Return of Income from October 31, 2026, to November 21, 2026, for taxpayers covered under the specified audit category. The Income Tax Department announced the extension on X, saying the decision applies to persons mentioned under the relevant provision of Section 139 of the Income-tax Act, 1961. The specified date for furnishing the audit report for AY 2026-27 has been extended from September 30, 2026, to October 21, 2026. This means eligible taxpayers and their auditors now have additional time to complete the audit process before the income tax return is filed.



India Today

Contact Information



Gurugram Office:

1st Floor, AIHP Palms

242 & 243, Udyog Vihar IV, Gurugram-122015

+91-124-4309062

info@reinalegal.com

www.reinalegal.com