N.K.Gaba & Co.
CHARTERED ACCOUNTANTS · SINCE 1982

Issue 1
November 2026

Monthly Update

NOVEMBER 2026



THIS MONTH

The 57th GST Council's reforms, new circulars on registration and notices, and scrap under reverse charge

- 57th GST Council Meeting: Arrest Powers, Prosecution, Refunds, ITC and Returns
- GST Refunds and ITC after the 57th Council Meeting: Automated Refunds, Input Services from 1 November 2026, Capital Goods from 1 April 2027
- Export of Services to a Foreign Branch: GST Council Recommends Omitting Section 2(6)(v) of the IGST Act
- GST registration after the 57th Council: FAQs on amendment, cancellation and rule 14B
- and 7 more, with the due dates for November

FOR PRIVATE CIRCULATION ONLY

N.K.Gaba & Co., Chartered Accountants
42, Shaheed Bhagat Singh Nagar, Hoshiarpur Road, Phagwara 144401, Punjab, India

updates.nkgaba.com
mail@nkgaba.com
+91-9872473334 · +91-9417314030

October was dominated by the 57th GST Council meeting of 8 October, which recommended **withdrawal of arrest powers**, system-based refunds and wider input tax credit, and CBIC has already applied the enforcement changes to its own officers through Instruction No. 02/2026-GST. Two circulars of 26 October set standards for registration and for show cause notices, and from 1 November post-supply discounts need only a GST credit note and scrap purchases come under reverse charge and TDS. The due dates for November close the issue.

IN THIS ISSUE

1 GST · GST COUNCIL
57th GST Council Meeting: Arrest Powers, Prosecution, Refunds, ITC and Returns — 4

2 GST · GST COUNCIL
GST Refunds and ITC after the 57th Council Meeting: Automated Refunds, Input Services from 1 November 2026, Capital Goods from 1 April 2027 — 4

3 GST · GST COUNCIL
Export of Services to a Foreign Branch: GST Council Recommends Omitting Section 2(6)(v) of the IGST Act — 5

4 GST · GST COUNCIL
GST registration after the 57th Council: FAQs on amendment, cancellation and rule 14B — 5

5 GST · CASE LAW
GST appeal limitation under section 107(1): Rajasthan High Court holds that uploading an order on the portal is not communication — 6

6 GST · CIRCULAR
GST registration: Circular No. 257/03/2026-GST lists the documents and limits officer queries — 6

7 GST · CIRCULAR
GST show cause notices, adjudication and appeals: what Circular No. 258/04/2026-GST requires of officers — 7

8 GST · NOTIFICATION
Post-supply discounts, credit notes and refunds: Notification No. 03/2026-Central Tax brings the CGST amendments into force from 1 November 2026 — 7

9 GST · NOTIFICATION
Plastic, tyre and e-waste scrap and used cooking oil: reverse charge, registration and TDS under GST from 1 November 2026 — 8

10 GST · CIRCULAR
Instruction No. 02/2026-GST: no arrests, narrower e-way bill checks and no notice below ₹10,000 ahead of the CGST amendments — 8

11 TECHNOLOGY IN CA PRACTICE · GUIDE
Claude in Tax Practice: Client Confidentiality, Verification and Anthropic's Usage Policy — 9

? Questions of the month — 10

AT A GLANCE

UPDATE	WHAT CHANGED	EFFECTIVE	WHO IS AFFECTED
57th GST Council Meeting	Arrest, prosecution, refund, ITC and return reforms **recommended**, pending amendment		All GST taxpayers
GST Refunds and ITC after the 57th Council Meeting	System-based refunds; ITC on input services and capital goods to become refundable		Exporters and inverted duty refund claimants
Export of Services to a Foreign Branch	Services to a **foreign branch** to qualify as exports, once the IGST Act is amended		Service exporters with offices abroad
GST registration after the 57th Council	System-accepted amendments and cancellations; **rule 14B** for e-commerce sellers		Registered persons and e-commerce sellers
GST appeal limitation under section 107(1)	Portal upload alone is **not communication** for the appeal period		Taxpayers with time-barred first appeals
GST registration	Documents for each type of premises listed; **REG-03 queries limited**		Applicants for GST registration
GST show cause notices, adjudication and appeals	Standards for notices, hearings, orders and appeals; **no section 74 on non-payment alone**		Taxpayers facing notices or appeals
Post-supply discounts, credit notes and refunds	Post-supply discounts need only a **GST credit note** and the buyer's reversal	1 Nov 2026 THIS MONTH	Suppliers giving discounts; refund claimants
Plastic, tyre and e-waste scrap and used cooking oil	Reverse charge, registration and **GST TDS** for plastic, tyre and e-waste scrap and used cooking oil	1 Nov 2026 THIS MONTH	Scrap buyers, recyclers and dealers
Instruction No. 02/2026-GST	No arrests, narrower e-way bill checks and **no notice below ₹10,000**, for CGST officers		Taxpayers and transporters dealing with CGST officers
Claude in Tax Practice	Client confidentiality and Anthropic's terms when using **Claude** on tax work		Practitioners using AI tools

THE UPDATES

GST COUNCIL GST 8 October 2026

57th GST Council Meeting: Arrest Powers, Prosecution, Refunds, ITC and Returns



The GST Council held its 57th meeting on 8 October 2026 and dealt with process rather than rates. It recommended **complete withdrawal of arrest powers** by omitting section 69 of the CGST Act, a prosecution threshold raised from ₹1 crore to ₹5 crore, no show cause notice where the tax involved is below ₹10,000, and a lower maximum general penalty under section 125.

Interception of conveyances is to need specific intelligence and a Joint Commissioner's authorisation, and to be limited to the State where the supplier or recipient is located. Refunds move to system-based processing, with 90% of zero-rated and inverted duty claims sanctioned provisionally. Section 17(5) is to lose several blocked credits, registration amendments other than the principal place of business are to be accepted by the system, and section 2(6)(v) of the IGST Act is to be omitted.

These are recommendations. The release states that they take effect only through circulars, notifications and law amendments. The dates it gives are ITC on input services availed on or after 1 November 2026 for inverted duty refunds, ITC on capital goods availed on or after 1 April 2027, and the alternate return mechanism from the return of April 2027.

Full article: updates.nkgaba.com/gst-council-57th-meeting-recommendations

GST COUNCIL GST 8 October 2026

GST Refunds and ITC after the 57th Council Meeting: Automated Refunds, Input Services from 1 November 2026, Capital Goods from 1 April 2027



The 57th GST Council, on 8 October 2026, recommended system-based processing of refunds under section 54 of the CGST Act in two phases. In phase 1, excess cash ledger balance is refunded by the system in full, an acknowledgement or deficiency memo is due in 10 days instead of 15, and **90% of claims on zero-rated supplies and inverted duty structure** is sanctioned provisionally on the system's risk evaluation. In phase 2, acknowledgement is automated and full zero-rated refunds are sanctioned by the system after adjusting dues. The 1.5 times cap in rule 89(4)(C) is to go, and RFD-01 claims are to be filed without scanned documents.

Refund in inverted duty cases is to cover ITC on input services availed on or after 1 November 2026. Refund of ITC on capital goods, on zero-rated and inverted duty claims, is to apply to ITC availed on or after 1 April 2027, spread over 60 months.

Each change needs an amendment to section 54 or the rules. Businesses with an inverted duty structure should keep ITC on input services from November 2026 separately identifiable, and plan capital purchases with the April 2027 date in mind. Returns filed on time and reconciled with each other are the practical preparation for risk-based sanction.

Full article: updates.nkgaba.com/gst-council-automated-refunds-itc-input-services-capital-goods

GST COUNCIL GST 8 October 2026

Export of Services to a Foreign Branch: GST Council Recommends Omitting Section 2(6)(v) of the IGST Act



Section 2(6)(v) of the IGST Act denies export status where the supplier and the recipient are establishments of a distinct person, so services by an Indian business to its own office or branch abroad are not exports today. The 57th GST Council, on 8 October 2026, recommended **omitting sub-clause (v)**, which the release says will facilitate refunds for Indian service providers supplying to or through their foreign offices.

The Council also recommended omitting section 13(3)(a), so that services on goods made available by a foreign recipient take the recipient's location as the place of supply. Goods sold to an overseas buyer but delivered in an SEZ or FTWZ are to be deemed supplies to the SEZ or FTWZ, where payment is received in convertible foreign exchange, or in rupees where the RBI permits. Rule 96(10) of the CGST Rules is to be omitted with effect from 23 October 2017.

These need amendments to the IGST Act, and the release gives no date for the branch change, so present supplies to foreign branches remain outside export of services. Once it is made, the other conditions of section 2(6) still apply, so the documentation of each supply to a foreign branch continues to matter.

Full article: updates.nkgaba.com/gst-council-export-of-services-foreign-branch-section-2-6-v-igst

GST COUNCIL GST 23 October 2026

GST registration after the 57th Council: FAQs on amendment, cancellation and rule 14B



The FAQs on the 57th GST Council's recommendations set out registration changes still to be notified. Amendments to the legal name, constitution of business and additional place of business become **non-core and are processed by the system** on an application in FORM GST REG-14. For a rule 9 registration, a change of principal place of business stays core: the officer approves within 15 days or issues a notice, with 7 working days each for reply and decision.

A cancellation application in FORM GST REG-16 is to be accepted by the system where every return due is filed, dues are paid, and GSTR-3B is filed for any period reported in GSTR-1 or IFF. Four grounds are to leave rule 21, including ITC availed in breach of section 16 and GSTR-1 exceeding GSTR-3B. Registrations suspended for non-filing are to be cancelled, and revoked within 180 days, by the system.

New rule 14B lets a seller supplying only through e-commerce operators that collect TCS register in another State at the operator's warehouse, with the operator's consent and a home-State registration. No effective date is given, so the present rules apply until the notifications issue. Before a closing cancellation is filed, both GSTR-1 and GSTR-3B for the last period should be in.

Full article: updates.nkgaba.com/gst-registration-amendment-cancellation-rule-14b-57th-council-faqs

CASE LAW GST 23 October 2026

GST appeal limitation under section 107(1): Rajasthan High Court holds that uploading an order on the portal is not communication



Section 107(1) of the CGST Act gives three months to appeal from the date the order is communicated, and section 107(4) allows only one month more. In Ridhi Sidhi Trading Company v. State of Rajasthan, the Rajasthan High Court held that an order **only uploaded on the GST portal** had not been communicated within section 107(1), so the three months had not begun.

The notice and the order of 17 May 2024 were only uploaded. The taxpayer paid the dues on 4 October 2024 and appealed on 24 March 2025, and the appeal was dismissed as time-barred. Reading section 169(1), the Court treated direct tender, post and e-mail as the primary modes, held that rules cannot confine service to electronic modes, condoned the delay and remanded the appeal for decision on merits.

The ruling binds in Rajasthan and is persuasive elsewhere, including in Punjab. It does not reach an order that was also e-mailed. Where an appeal was rejected as time-barred after an upload alone, it supports a writ petition, with the dates of upload, actual knowledge, payment and appeal documented. For ongoing compliance, the safer course remains to count the three months from upload and to check the portal regularly.

Full article: updates.nkgaba.com/rajasthan-hc-gst-portal-upload-appeal-limitation-section-107

CIRCULAR GST 27 October 2026

GST registration: Circular No. 257/03/2026-GST lists the documents and limits officer queries



CBIC has issued Circular No. 257/03/2026-GST dated 26 October 2026 under section 168(1) of the CGST Act, with guidelines for applicants for registration in FORM GST REG-01. It lists the documents accepted as proof of owned, rented, consent, co-working and SEZ premises, and annexes 51 FAQs, a checklist, and formats for an affidavit, an undertaking and a consent letter.

A notice in FORM GST REG-03 is **confined to three situations**: an incomplete or illegible document, an address that does not match the document or lacks valid proof, or an incomplete or vague address. Para 5.4.1 names unwarranted queries, among them a residential address in another State and a demand for the Udyam certificate, and para 6 bars subjective checks such as whether an electricity connection is commercial. Premises in the name of a parent, partner or director are not the applicant's own and need a consent letter in the Annexure-VI format.

Applicants should give the address down to the specific premises with the right PIN code, and upload the document listed for the type of premises. A REG-03 query on an excluded ground can be answered by citing paras 5.4.1 and 6, with a copy of the circular attached to the REG-04 reply.

Full article: updates.nkgaba.com/gst-registration-guidelines-circular-257-ppob-documents

CIRCULAR GST 27 October 2026

GST show cause notices, adjudication and appeals: what Circular No. 258/04/2026-GST requires of officers



CBIC has issued Circular No. 258/04/2026-GST dated 26 October 2026 under section 168(1) of the CGST Act, with guidelines for officers on show cause notices, hearings, adjudication orders, rectification under section 161 and first appeals. The Board records that vague, non-speaking orders were ending in remand or reversal.

A notice must carry its basis in itself, following the Supreme Court in G.R. Infra Project Ltd. Section 74(1) or section 74A(5)(ii) **cannot be invoked merely because tax was not paid**, or in a scrutiny case solely on a discrepancy; the intent to evade must be shown in the notice. A demand over several years is to be split year-wise. At most four hearing opportunities may be given, with reasons recorded for refusing an adjournment. The order must deal with each submission and the case law cited. Section 161 covers only errors apparent on the face of the record.

Officers may not cite the guidelines in notices or orders, but nothing stops a noticee from relying on them. Section 74 notices resting on a bare allegation or a scrutiny mismatch should be reviewed against paras 5 to 5.5 now, and orders read against para 11 before the grounds of appeal are drafted.

Full article: updates.nkgaba.com/gst-scn-adjudication-appeal-guidelines-circular-258

NOTIFICATION GST 28 October 2026

Post-supply discounts, credit notes and refunds: Notification No. 03/2026-Central Tax brings the CGST amendments into force from 1 November 2026



Notification No. 03/2026-Central Tax dated 26 October 2026 brings sections 153 to 155 of the Finance Act, 2026 into force from 1 November 2026, amending sections 15, 34 and 54 of the CGST Act. A post-supply discount is now excluded from the value of supply if the supplier issues a credit note and the recipient reverses the attributable ITC, in accordance with section 34. The conditions of a prior agreement and linkage to specific invoices are **no longer in section 15(3)(b)**.

Section 34(1) now permits a credit note for such a discount, and a financial or commercial note issued without GST will not reduce the supplier's value of supply. Section 54(6) extends the 90% provisional refund to inverted duty structure refunds, in the manner to be prescribed, and section 54(14) no longer bars refunds below ₹1,000 on goods exported with payment of tax.

Suppliers running turnover or target schemes should decide which discounts are to carry a GST credit note from November, issue them within the section 34(2) window, and keep a record of each customer's reversal. The notification has no transitional provision, so for earlier supplies settled later, the safer course is a section 34 credit note, with the scheme documents kept.

Full article: updates.nkgaba.com/gst-post-supply-discount-credit-note-provisional-refund-1-november-2026

NOTIFICATION GST 30 October 2026

Plastic, tyre and e-waste scrap and used cooking oil: reverse charge, registration and TDS under GST from 1 November 2026



Three notifications dated 27 October 2026, effective from 1 November 2026, extend the metal scrap regime to used cooking oil, plastic scrap, tyre scrap, and electrical and electronics waste and scrap. Notification No. 04/2026–Central Tax (Rate) puts these goods on **reverse charge** when an unregistered person supplies them to a registered person: the buyer pays the tax under section 9(3), issues the invoice itself, and issues a payment voucher on payment.

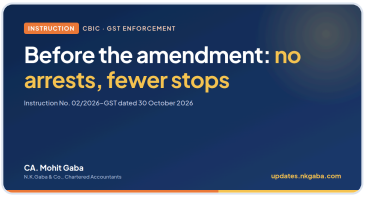
Notification No. 06/2026–Central Tax withdraws the registration exemption for persons making only reverse charge supplies from suppliers of these goods and of metal scrap, so a dealer above the section 22 threshold must register and charge tax. Notification No. 07/2026–Central Tax makes a registered buyer of any of the five from a registered supplier deduct TDS of one per cent under section 51 of the CGST Act, where the contract value exceeds ₹2.5 lakh, and deposit it within ten days after the month.

Recyclers, biodiesel units and other buyers should register as tax deductors before the first payment after 1 November 2026, check each supplier's GSTIN status at the time of purchase, and confirm the matching State notifications. Scrap dealers who relied on the exemption should work out their turnover for the year now.

Full article: updates.nkgaba.com/gst-scrap-used-cooking-oil-rcm-tds-registration-1-november-2026

CIRCULAR GST 31 October 2026

Instruction No. 02/2026-GST: no arrests, narrower e-way bill checks and no notice below ₹10,000 ahead of the CGST amendments



CBIC Instruction No. 02/2026-GST dated 30 October 2026 directs CGST field formations to apply three reforms recommended by the 57th GST Council before the CGST Act is amended. It stays in force until those amendments come into force.

No further arrests are to be carried out under GST, though section 69 remains in the Act. A conveyance is to be intercepted only on specific intelligence, authorised by an officer not below Joint Commissioner who records reasons in writing. Goods may be detained or seized under section 129 only if the supplier or recipient is registered or located in the officer's State, or if there is neither an e-way bill nor any document of origin or destination; otherwise the information is passed on and the vehicle allowed through. Goods in transit are not to be confiscated under section 130. No show cause notice under sections 73, 74 or 74A is to issue where the amount involved, across all the GST Acts and cess, is below ₹10,000.

The instruction binds only CBIC's officers; State officers are covered only if their State issues a similar instruction. Transporters should carry the e-way bill, or at least a document of origin and destination, with every consignment, and may ask a CGST officer for the Joint Commissioner's written authorisation.

Full article: updates.nkgaba.com/cbic-instruction-02-2026-gst-arrest-eway-bill-scn-threshold

GUIDE TECHNOLOGY IN CA PRACTICE 14 October 2026

Claude in Tax Practice: Client Confidentiality, Verification and Anthropic's Usage Policy



Clause (1) of Part I of the Second Schedule to the Chartered Accountants Act, 1949 treats disclosure of client information to anyone other than the client, without consent or a legal requirement, as professional misconduct. Whether entering client figures into an AI service is such a disclosure is not settled. The way to stay clear of the question is to remove identifying details, or to take the client's consent and use a plan whose terms treat the content as confidential.

Under Anthropic's Consumer Terms, which cover individual Claude plans, chats may be used for training unless the user opts out, and feedback ratings are used even after opting out. The Commercial Terms, covering Team, Enterprise and API use, bar training on customer content. Anthropic's Usage Policy lists **advising an individual on their own taxes** as high-risk: a qualified person must meaningfully review the output before it is delivered, and the individual must be told that AI was used.

For practices using Claude on client work, the steps follow: check the training setting, replace names, PAN, GSTIN and bank details with placeholders, upload the notification or order rather than asking from memory, verify every citation, and keep the reviewed version on the client file.

Full article: updates.nkgaba.com/claude-ai-tax-practice-confidentiality-usage-policy

QUESTIONS OF THE MONTH

Q. Can a GST officer ask for the Udyam certificate or object that the applicant lives in another State?

No. Para 5.4.1 of Circular No. 257/03/2026-GST lists both as unwarranted queries. The Udyam certificate is neither required nor accepted as proof of the principal place of business (FAQ Q.36), and a residential address in a different State, district or city is not a bar to registration (FAQ Q.30).

From: GST registration: Circular No. 257/03/2026-GST lists the documents and limits officer queries

Q. What conditions apply to a post-supply discount under the amended section 15(3)(b)?

From 1 November 2026, a discount given after the supply is excluded from the value of supply if the supplier has issued a credit note for it and the recipient has reversed the input tax credit attributable to the discount, in accordance with section 34 of the CGST Act. The earlier conditions, that the discount be established by an agreement entered into at or before the supply and be specifically linked to relevant invoices, are no longer in the clause.

From: Post-supply discounts, credit notes and refunds: Notification No. 03/2026-Central Tax brings the CGST amendments into force from 1 November 2026

Q. When must a registered buyer deduct GST TDS on scrap purchases from 1 November 2026?

Under Notification No. 07/2026-Central Tax, a registered person receiving used cooking oil, plastic scrap, tyre scrap, metal scrap or electrical and electronics waste and scrap from another registered person must deduct under section 51 of the CGST Act: one per cent of central tax on the value excluding taxes, where the total value of supply under a contract exceeds two lakh and fifty thousand rupees. The amount is paid within ten days after the end of the month of deduction.

From: Plastic, tyre and e-waste scrap and used cooking oil: reverse charge, registration and TDS under GST from 1 November 2026

Q. What does CBIC Instruction No. 02/2026-GST dated 30 October 2026 direct?

It directs CGST field formations, until the CGST Act is amended as recommended by the GST Council at its 57th meeting on 8 October 2026, that no further arrests be carried out under GST, that conveyances be intercepted and goods in transit detained only on the narrower terms it sets out, with no confiscation under section 130, and that show cause notices under sections 73, 74 and 74A not be issued where the amount involved is below ₹10,000.

From: Instruction No. 02/2026-GST: no arrests, narrower e-way bill checks and no notice below ₹10,000 ahead of the CGST amendments

DUE DATES IN NOVEMBER 2026

Dates as fixed by law or notification, including extensions notified by the date of this issue. Where a date falls on a holiday, check the portal before relying on it.

GST			9 dates
10 Nov TUESDAY	**GSTR-7**	TDS under GST deducted in October 2026	
10 Nov TUESDAY	**GSTR-8**	TCS collected by e-commerce operators in October 2026	
11 Nov WEDNESDAY	**GSTR-1**	Outward supplies for October 2026 (monthly filers)	
13 Nov FRIDAY	**GSTR-5**	Return of non-resident taxable persons for October 2026	
13 Nov FRIDAY	**GSTR-6**	Input Service Distributor return for October 2026	
13 Nov FRIDAY	**IFF**	Optional invoice furnishing for October 2026 (QRMP filers)	
20 Nov FRIDAY	**GSTR-3B**	Summary return and tax for October 2026 (monthly filers)	
25 Nov WEDNESDAY	**PMT-06**	Monthly tax payment for October 2026 (QRMP filers)	
28 Nov SATURDAY	**GSTR-11**	Inward supplies of UIN holders for October 2026	

INCOME TAX, TDS AND TCS			5 dates
7 Nov SATURDAY	**Form 127**	Buyers' declarations (goods bought without TCS) received in October 2026, furnished by the seller Replaces Form 27C; the buyer gives the declaration to the seller at or before the purchase	
7 Nov SATURDAY	**TDS / TCS deposit**	Tax deducted or collected in October 2026	
21 Nov SATURDAY	**ITR**	Return of income for AY 2026-27, assessees under audit (extended from 31 October) **EXTENDED** CBDT Circular No. 07/2026 dated 28 September 2026	
30 Nov MONDAY	**Form 141**	Challan-cum-statement for tax deducted in October 2026 (property, rent and other specified payments)	
30 Nov MONDAY	**ITR**	Return of income, assessees with international or specified domestic transactions	

PF AND ESI			2 dates
15 Nov SUNDAY	**ESI contribution**	ESI contributions for October 2026	
15 Nov SUNDAY	**PF (ECR and payment)**	Provident fund contributions for October 2026	

COMPANY LAW (ROC)		1 date
Within 60 days of the AGM	**MGT-7 / 7A**	Annual return, filed after the AGM

CA. Mohit Gaba

N.K.Gaba & Co., Chartered Accountants
42, Shaheed Bhagat Singh Nagar, Hoshiarpur Road, Phagwara 144401, Punjab, India

updates.nkgaba.com
mail@nkgaba.com
+91-9872473334 · +91-9417314030

DISCLAIMER

For private circulation among clients and associates only. This newsletter is intended for general information and education and does not constitute professional advice. It is based on the law as understood on the date of issue; laws and regulations change, and it may not reflect later developments. Readers should consult a qualified professional on their specific situation before acting on anything in it. N.K.Gaba & Co. and CA. Mohit Gaba accept no responsibility for any action taken or decision made on its basis.