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TAX EDGE

Monthly Tax & Regulatory Updates

Tax • Regulatory • Assurance • Legal

September 2026

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Contents

Goods & Services Tax ('GST')

GST revenue collection for August 2026 INR 1,998.53 billion (14.8% higher than GST revenue in August 2025)

The gross GST revenue collected in the month of August 2026 is Rs. 1,99,853 crore as below:

IGST (Integrated Goods and Services Tax)	Rs. 1,15,124 Crore
CGST (Central Goods and Services Tax)	Rs. 38,413 Crore
SGST (State Goods and Services Tax)	Rs. 46,316 Crore
Total (rounded off)	***Rs. 1,99,853 Crore***

The gross GST collection for August 2026 stood at Rs. 1,99,853 crore, representing 14.8% year-on-year growth, driven by an increase in imports by 29% and increase in the domestic transactions by 9.3%. After considering refunds, the net GST revenue for August 2026 stands at Rs. 1.68 lakh crore, reflecting a growth of 8.3% compared to the same period last year.

Please Click Here to read the revenue report dated 1 September 2026 released by the GST Network.

GST Network (GSTN) issues advisory on use of version 3.3 of emSigner for newly issued digital signature token on GST portal

Background

GSTN has issued an advisory in advance for taxpayers and tax officers using digital signatures on the GST portal. GSTN has announced the availability of emSigner version 3.3, primarily to ensure compatibility with new digital signature USB tokens issued on or after 21 September 2026.

The update is aligned with the broader transition from FIPS 140-2 to FIPS 140-3 compliant cryptographic tokens, following the advisory issued by the Controller of Certifying Authorities (CCA). The CCA has advised certifying authorities to discontinue issuance of digital signatures using FIPS 140-2 modules from 21 September 2026, while digital signatures already downloaded onto FIPS 140-2 modules on or before that date may continue to operate until expiry.

Key updates

- Existing digital signature users - No immediate upgrade is required if the existing digital signature and token are functioning normally. Version 3.3 may be installed if signing issues are encountered
- New / renewed digital signatures - Users issued a new or renewed digital signature on a new USB token on or after 21 September 2026 must upgrade to emSigner version 3.3, as earlier versions will not support such tokens
- System requirements - The system should generally have a 64-bit OS, 8 GB+ RAM, 64 GB+ storage and Java 1.8. Java 9 and above are not supported
- FIPS transition - Existing digital signatures on FIPS 140-2 tokens issued on or before 21 September 2026 may continue to be used until expiry. New issuance / renewal will generally require FIPS 140-3 compliant tokens, subject to applicable exceptions

Action required

Taxpayers receiving new or renewed digital signature tokens should upgrade to emSigner version 3.3 and test functionality before undertaking GST compliances.

Please Click Here to read the advisory dated 19 September 2026 issued by GSTN.

GSTN issues advisory in relation to appeals in cases involving nil or zero demand amount

GSTN has issued an advisory enabling taxpayers to file appeals against demand orders reflecting nil or zero demand, where a dispute regarding tax liability continues. Where the taxpayer has already paid the disputed amount prior to issue of demand order, the GST portal previously restricted filing of an appeal against such orders. GSTN has now removed this validation, enabling taxpayers to file an appeal in Form GST APL-01 even where the demand order reflects nil or zero demand. Taxpayers facing such cases may now proceed with filing an appeal in Form GST APL-01 on the GST portal. For any technical difficulty, taxpayers may raise a ticket with the GST Helpdesk.

Please Click Here to read the advisory dated 7 September 2026 issued by GSTN.

Direct Tax

Direct Tax

Gross Direct Tax collection for Financial Year (FY) 2026-27 (upto 17 September 2026) is INR 14,324.37 billion, 15.19% higher than gross collection for corresponding period last year

The Central Board of Direct Taxes has released the following statistics:

For the period 1 April 2026 till 17 September 2026	Amount (Rs.)	Remarks
Gross direct tax collection	Rs 14.32 lakh crore	15.19% higher than gross collection for corresponding period last year
Net direct tax collection (after adjustment of refunds)	Rs 12.12 lakh crore	12.96% higher than net collection for corresponding period last year
Refunds issued	Rs 2.20 lakh crore	29.19% higher than refunds issued for corresponding period last year

Please Click Here to read the Press Release dated 17 September 2026.

Direct Tax

Central Board of Direct Taxes (CBDT) amends withholding tax framework for transfers of immovable properties involving non-residents

The CBDT has issued the Income-tax (Fifth Amendment) Rules, 2026 bringing into effect a set of targeted amendments to the Income-tax Rules, 2026. These changes, operative from 1 October 2026 onwards, specifically address the tax deduction at source (TDS) obligations that arise when a resident individual or Hindu Undivided Family (HUF) pays consideration for the acquisition of immovable property from a non-resident seller. The key changes introduced are summarized below:

- Expanded TDS reporting: Rules 215, 218, 219 of the Income-tax Rules have been amended to incorporate provisions relating to TDS on immovable property transfers u/s 393(2) of the Income-tax Act, 2025
- Revised Income-tax forms: Forms No. 132 and 141 have been updated to capture additional details relating to immovable property transactions involving non-resident sellers
- New Schedule E in Form 141: A dedicated schedule has been introduced for reporting TDS on consideration paid or credited for the transfer of immovable property covered u/s 393(2)
- Additional transaction details: The revised reporting framework requires information regarding property particulars, buyers, sellers, sale consideration, stamp duty value, payment instalments, capital gains classification and TDS deducted
- Non-Resident seller's information: Details such as overseas address, tax residency certificate number and foreign tax identification number are required, with specified provisions for cases where PAN is unavailable
- Multiple deductors: Where a transaction involves more than one deductor, each deductor is required to file a separate form
- Updated notes and references: The notification also revises instructions, form references and provisions relating to certificates issued u/s 395

Please Click Here to read Notification no. 121 dated 22 September 2026 issued by CBDT.

Direct Tax

CBDT deletes arrest & detention in prison as modes of recovery of tax arrears

The CBDT has notified the Income-tax (Fourth Amendment) Rules, 2026. Some significant changes have been made such as below:

- Electronic communication shall replace requirement of affixing digital signature in faceless assessments
- Arrest and detention in prison have been deleted as modes of recovery of tax arrears. Tax authorities may continue to use the other prescribed modes of recovery, including attachment and sale of movable and immovable property of the defaulter and appointment of a receiver for the management of the defaulter's property
- CBDT has substituted Form 169 for application for registration as a Valuer under the Income-tax Act, 2025. The revised form seeks structured information relating to the applicant's personal details, Permanent Account Number (PAN), address, class of asset for which registration is sought, educational qualifications, previous employment, professional practice and valuation experience
- CBDT has also substituted Form 171, for registration as an authorised Income-tax practitioner under the Income-tax Act, 2025. The revised form captures personal and professional details of the applicant, including PAN, residential addresses, contact details, principal place of profession in India and, where applicable, details of the firm in which the applicant is a partner

Please Click Here to read Notification no. 120 dated 17 September 2026 issued by CBDT.

Procedure for registration of reporting person / entity & submission of Form 98 as per Rule 160 of the Income-tax Rules, 2026

Background

Rule 160 of the Income-tax Rules specifies the time, manner, and compliance requirements for furnishing a statement in Form No. 98 containing particulars of declarations received in Form No. 97 in respect of specified transactions under Rule 159. The statement in Form No. 98 must be submitted electronically followed by obtaining an acknowledgement number. For declarations received up to 30 September, the statement is due by 31 October of that FY. For declarations received up to 31 March, the statement is due by 30 April of the immediately following FY. This obligation applies to specified reporting persons / entities under Rule 159 (such as specific categories under serial numbers 11 to 16), including those subject to tax audit.

Notification no. 3 issued by CBDT on 15 September 2026

The Income-tax department has laid down the following procedure:

- Registration and generation of Income Tax Department Reporting Entity Identification Number (ITDREIN)
  - ✓ The reporting person / entity is required to get registered with the Income-tax Department by logging in to the e-filing website (https://eportal.incometax.gov.in) with the log-in ID used for the purpose of filing the Income-tax Return of the reporting person / entity. The reporting person/entity needs to click on ‘Reporting Portal’ link under ‘Pending Actions’ tab at e-filing portal to access ‘Reporting Portal’ for first time registration. The reporting person / entity will mandatorily be required to enter the details of form type, category and address of reporting person / entity along with the details of the principal officer
  - ✓ On successful submission, the ITDREIN will be generated and the principal officer will receive a confirmation e-mail on his / her registered e-mail address and SMS at his / her registered mobile number. There will be no option to deactivate ITDREIN, once it is generated
  - ✓ The reporting person / entity already registered for compliance of erstwhile Form 61 are not required to register for Form 98 and the existing ITDREIN as well as the respective principal officers shall continue to remain valid.

- Submission of Form 98
  - ✓ As per Rule 160, a statement in Form 98 is required to be furnished by the reporting person / entity. The prescribed schema, report generation and validation utility for Form 98 and generic submission utility can be downloaded from the reporting portal under 'Resources' tab. The prepared statement to be filed is required to be digitally signed by and uploaded at the reporting portal or through generic submission utility through the login credentials (PAN and password) of the principal officer
- Submission of correction statement
  - ✓ In case the reporting person / entity comes to know or discovers any inaccuracy in the information provided in the statement or the defects have been communicated to the reporting person / entity through Data Quality Report (DQR) after submission of statement, it is required to remove the defects by submitting a correction statement. The number of 'Reports Requiring Correction (RRC)' will be visible against the original statement on reporting portal. The user can download the DQR file from the DQR column under 'Statements' tab of reporting portal, which can then be opened on the report generation utility to find and fix the errors. The reporting person / entity needs to rectify all the defects till the number of RRC becomes zero within the specified period
- Deletion of submitted reports in a statement
  - ✓ In case the reporting person / entity wishes to delete the inadvertently filed reports within a statement, it can choose the statement type as 'Deletion Statement' and file all such reports within a single statement to be deleted with exact previously filed values against each field. The manner of filing Deletion Statement shall be similar to submission of correction statement
- Security, archival and retrieval policies
  - ✓ The reporting person / entity is required to document and implement appropriate information security policies and procedures with clearly defined roles and responsibilities to ensure security of submitted information and related information / documents. The reporting person / entity is also required to document and implement appropriate archival and retrieval policies and procedures with clearly defined roles and responsibilities to ensure that submitted information and related information/documents are available promptly to the competent authorities

The Notification is effective from 15 September 2026 onwards; reporting for FY 2025-26 and earlier years (including correction / deletion) will continue as per the provisions of Income-tax Act, 1961 and the Income-tax Rules, 1962, through Form 61.

Please Click Here to read Notification no. 3 dated 15 September 2026 issued by CBDT.

Corporate Law & Regulatory

Corporate Law & Regulatory

Ministry of Micro, Small & Medium Enterprises (MSMEs) – Eligibility under the Procurement & Marketing Support (PMS) scheme extended to include Udyam Assist Certificate holders

What is PMS scheme?

Flagship initiative of the Ministry of MSMEs, that connects micro and small enterprises with trade fairs, exhibitions and marketing opportunities to strengthen their market access and competitiveness.

Notification dated 7 September 2026 issued by Ministry of MSME

The Ministry of MSMEs has amended the eligibility criteria under the PMS scheme to extend benefits to a wider base of informal enterprises. Through this amendment, the Ministry has enlarged the pool of eligible beneficiaries to include informal micro enterprises holding Udyam Assist Certificate, alongside existing Udyam-registered enterprises. The amendment is effective for events scheduled from 1 October 2026 onwards.

Please Click Here to read the Office Memorandum dated 7 September 2026 issued by the Ministry of MSMEs.

Corporate Law & Regulatory

Ministry of Labour & Employment – Increase in wage ceiling for mandatory coverage under the Employees' Provident Fund from INR 15,000 to INR 25,000 per month

The Ministry of Labour & Employment has approved an increase in the wage ceiling for mandatory coverage under the Employees' Provident Fund from Rs 15,000 to Rs 25,000 per month vide Notification dated 17 September 2026. This is the first revision since September 2014 and is expected to bring a larger employee population within the social security framework.

The revised ceiling is expected to extend Employees' Provident Fund (EPF), Employees' Pension Scheme (EPS) and Employees' Deposit Linked Insurance Scheme (EDLI) benefits to employees earning between Rs 15,000 and Rs 25,000 per month. The key implications for employers are given below:

- Higher contribution cost - Where contributions are restricted to the statutory wage ceiling, the monthly employer and employee contribution could increase from Rs 1,800 to Rs 3,000 per month resulting in additional payroll and employee benefit costs
- Expanded employee coverage - Employees falling within the enhanced wage ceiling may become eligible for coverage under EPF, EPS and EDLI
- Contractual workforce - The revision may also have cost implications for organizations engaging contractual or contingent workforce
- Payroll and Human Resources (HR) - Employers should review their payroll systems, employee wage records and compliance processes to identify changes required for implementation of the revised ceiling

Please Click Here to read the Press Release dated 16 September 2026 issued by the Ministry of Labour & Employment.

Please Click Here to read the Notification dated 17 September 2026 issued by the Ministry of Labour & Employment.

Corporate Law & Regulatory

Ministry of Corporate Affairs (MCA) issues Frequently Asked Questions (FAQs) on registration of foreign companies / subsidiary of foreign body corporates in India

On 24 August 2026, MCA has issued the captioned FAQs, covering the following topics:

- Form related compliances:
  - ✓ Form FC-1 (Registration of foreign companies in India)
  - ✓ Form FC-2 (Alterations in the registration documents of a foreign company)
  - ✓ Form FC-3 (Filing of annual accounts and list of principal places of business in India)
- Name Reservation – Rule 8 & Rule 8A of the Companies (Incorporation) Rules, 2014
- Documents required for registration of foreign companies
- Subscriber sheet - Notarization / Apostille / Consularization
- Authority related queries & general queries

Please Click Here to read the FAQs issued by MCA.

Compliance Calendar

Compliance calendar for the month of October 2026

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7th October	September 2026	TDS / TCS deposit	Non-Government Deductors
10th October		a) GSTR-7 (TDS return under GST) b) GSTR-8 (TCS return under GST)	a) Person required to deduct TDS under GST b) Person required to collect TCS under GST
11th October		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2025-26 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th October		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
	July - September 2026	GSTR-1 (Outward supply return)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and opted for QRMP Scheme
14th October	FY 2026-27	Filing of statutory auditor's appointment in form ADT-1	All companies in which statutory Auditors are appointed in the AGM (assumed AGM is held on 30 September 2026)
15th October	September 2026	Deposit of PF & ESI contribution	All Deductors
20th October		GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2025-26 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and not opted for QRMP scheme
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider

Compliance Calendar

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
22nd October	September 2026	GSTR-3B (Summary return)	Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2025-26 and opted for QRMP scheme and having principal place of business in Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands. Lakshadweep
24th October			Taxpayers having annual turnover ≤ Rs. 5 crore in FY 2025-26 and opted for QRMP scheme and having principal place of business in any other state
29th October	FY 2025-26	Filing of audited financial statements in Form AOC-4 / AOC-4 XBRL	All Companies (whose AGM is held on 30 September 2026)
30th October		Filing of Annual Accounts in Form 8	All LLPs
	April - September 2026	Details of MSME Trade Payables outstanding > 45 days from the date of acceptance of the goods or services	All Companies having MSME trade payable outstanding for more than 45 days
31st October	FY 2025-26	Income-tax Return (where Transfer Pricing is not applicable)	a) Corporates b) Non corporates (whose accounts are required to be audited) c) Partner of a firm whose accounts are required to be audited
		Transfer Pricing (TP) Report in Form 3CEB	Taxable persons having international transaction or specified domestic transaction
		Tax Audit Report in Form 3CA/3CB	
		Filing of Form 29B	Companies subject to MAT on book profits u/s 115JB (where transfer pricing laws are applicable)
	July - September 2026	138 / 140 / 144 (TDS Returns) & 143 (TCS Return)	All Deductors & Collectors.

About KrayMan

KrayMan Consultants LLP (KrayMan) is an accounting & consulting firm headquartered in Gurugram & serving Clients across India for more than 14 years.

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We have been serving Domestic as well as International Clients from countries like USA, Japan, Australia, EU etc.

We have been awarded under the category ‘Small Business Award 2021’ by the International Business Council of Australia. We are an ISO/IEC 27001:2022 compliant Firm.

Write To Us

For any assistance, please write to us at:
communications@krayman.com

Contact Us

Head Office:
1170A, 11th floor, Tower B1, Spaze i-Tech Park, Sector 49, Sohna Road, Gurugram, Haryana-122018, India

Mumbai Office:
Unit No - 18,19,20, 5th floor, Technopolis Knowledge Park, Mahakali Caves Road, Chakala, Andheri East, Mumbai - 400093, India