Brainery
Institute Of Commerce Studies
(A Unit of Tharuns Brainery Pvt. Ltd)

CA Final
AMENDMENTS
For Nov'26 Exam

Indirect Tax Laws

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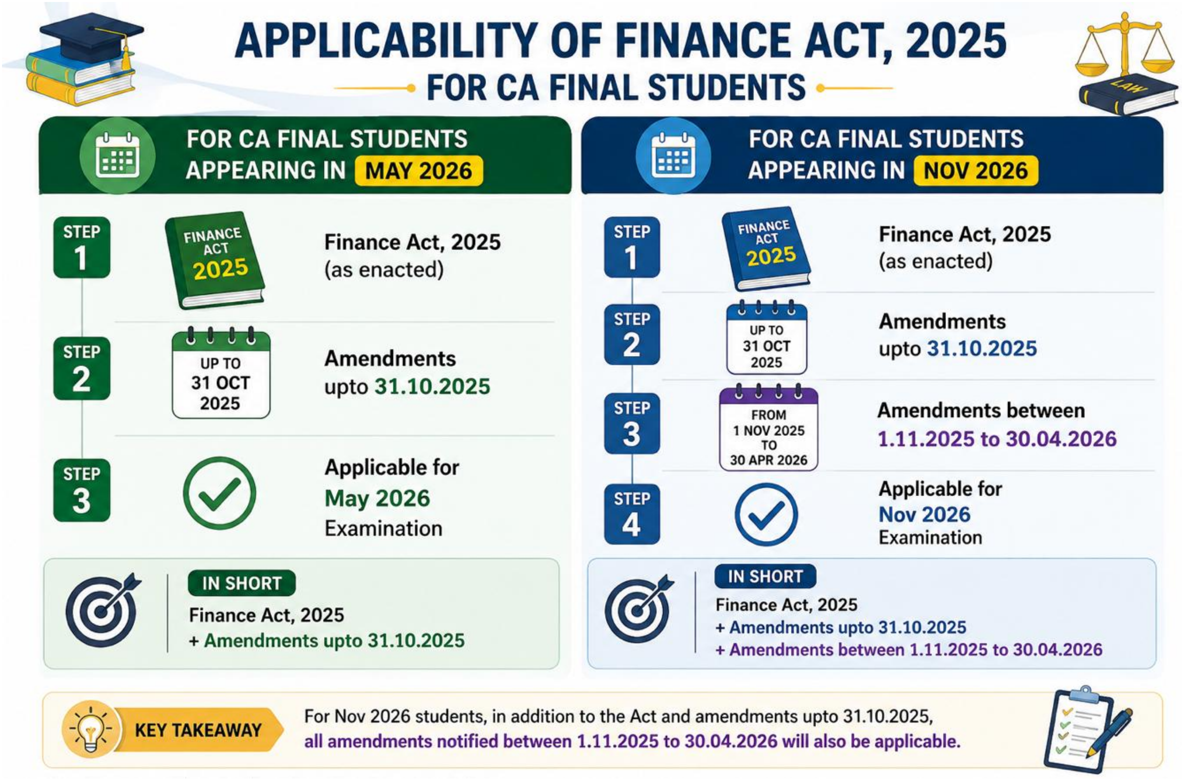
INDIRECT TAX NOV 26 EXAM AMENDMENTS
(Amendments between 1.11.25 to 30.4.26)



SEGMENT 7 – PLACE OF SUPPLY

POS in case of intermediary services is amended to general provisions

Intermediary Services	#Meaning of intermediary (Agent Services) An intermediary is someone who arranges or facilitates the supplies of goods or services or securities between two or more persons wherein two of them transact in the supply of goods or services or securities (the main supply) and one in arranging or facilitating the said main supply (the ancillary supply). Note: Outsourcing activities are not treated as intermediary services.	**Before Amendment:** **POS = Location of Supplier** **After Amendment:** **POS = General provisions W.e.f 30.03.26**

Note: It is a Finance Act, 2026 amendment (Even though applicable from 30.3.26). Therefore, in ICAI statutory update for Nov 26 exams, they have not mentioned it and students appearing for Nov 26 exams, should quote POS as Location of supplier only and not as per general provisions.

SEGMENT 8 – VALUE OF SUPPLY

Value of supply of goods on the basis of retail sale price (Rule 31D)[1]

Section 15(5) & Rule 31D – New Notified Supplies and RSP-Based Valuation

GST LAW

TAX INVOICE

Effective from 01.02.2026 | Notification No. 19/2025-CT and Notification No. 20/2025-CT dated 31.12.2025

A. What does section 15(5) say?

15(5)

For certain notified supplies, value of supply is determined in the manner prescribed in the valuation rules.

Government notifies such supplies on the recommendations of the GST Council.

B. Supplies already notified under section 15(5)

1. Supply of online money gaming
2. Supply of online gaming other than online money gaming
3. Supply of actionable claims in casinos

C. New supplies added w.e.f. 01.02.2026

S. No.	Tariff / Heading	Description
1	2106 90 20	Pan masala
2	2401	Unmanufactured tobacco; tobacco refuse [other than tobacco leaves]
3	2402	Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
4	2403	Other manufactured tobacco and manufactured tobacco substitutes; homogenised or reconstituted tobacco; tobacco extracts and essences (other than biris)
5	2404 11 00	Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion
6	2404 19 00	Products containing tobacco or nicotine substitutes and intended for inhalation without combustion

These are RSP-declared specified goods.

D. Important RSP principles

- Retail sale price (RSP) means the maximum price declared on packaged goods for sale to the ultimate consumer and includes all taxes, duties, surcharge or cess.
- If more than one RSP is declared, take the highest RSP.
- If RSP is altered upward before, during, or after supply, the increased RSP is taken.
- If different RSPs are declared for different areas, the area-specific RSP applies.
- Tariff item / heading / sub-heading / chapter have the meanings under the First Schedule to the Customs Tariff Act, 1975.
- Classification principles of the First Schedule, including section notes, chapter notes and general explanatory notes, also apply.

E. New Rule 31D – Value based on RSP

- Rule 31D inserted with effect from **01.02.2026.**
- Notwithstanding anything contained in this Chapter, the value of supply of the above notified goods shall be deemed to be the **retail sale price declared** on such goods, **less the amount of applicable tax.**
- This provision **overrides** the other valuation provisions in the Chapter.

F. Tax amount formula

$$\text{Tax amount} = \frac{\text{Retail sale price} \times \text{tax rate of applicable taxes}}{100 + \text{sum of applicable tax rate}}$$

Applicable tax means IGST or CGST or SGST or UTGST, as the case may be.

G. Quick takeaway

- From **01.02.2026**, specified tobacco and pan masala goods are brought into notified supplies under section **15(5)**.
- Their valuation is now governed by **Rule 31D.**
- Value is based on declared **RSP less applicable tax.**
- Rule 31D is an **overriding special valuation rule.**

[1] Notification No. 19/2025 and 20/2025 - CT (DT: 31/12/25) w.e.f 01/02/26

- Applicable for notified goods – pan masala, tobacco and tobacco products incl. products for inhalation of nicotine (Applicable rate of GST is 40%)
- Value of supply = Retail sale price (incl. GST) × 100/100 + GST rate
- In case of multiple RSP printed → consider highest RSP
- In case RSP increased at any time before (or) after supply → sale altered price is the applicable RSP.
- In case of different area pricing → use area specific RSP.
- Rule 86B ie., payment of 1% liability through ECL is not applicable to traders covered under Rule 31D.
- However, for manufacturers covered under Rule 31D, Such rule 86B is applicable.
- When Rule 31D is applicable, TV u/s 15(1) cannot be applied in terms of Sec. 15(5).

SEGMENT 13 -PAYMENT PROCESS UNDER GST

Trader Covered under Rule 31D is exempted from Rule 86B

Trader covered Under Rule 31D i.e., Retail Sale Price (RSP) Valuation

Case study:

Zenith Nicotine Products Ltd. (ZNPL) is registered under GST in Maharashtra and is engaged in manufacture and supply of pan masala, tobacco products and certain nicotine products. It also operates an online gaming platform.

Unless otherwise stated:

- all amounts are exclusive of GST except the **Retail Sale Price (RSP)** specifically mentioned;
- the applicable GST rate on the specified goods is **40%**; and
- the transaction value charged by ZNPL is otherwise ascertainable.

ZNPL entered into the following transactions during January and February 2026. You are required to determine the GST treatment for these transactions

Transaction	GST Treatment
1. On **29th January 2026**, ZNPL supplied 1,000 packets of pan masala falling under tariff item **2106 90 20** to a distributor in Maharashtra. The RSP printed on each packet was ₹256, whereas the transaction value charged by ZNPL was ₹180 per packet.	Rule 31D is notified w.e.f. 1/02/2026 and as the supply has taken place before that date, TV under Sec. 15(1) is applicable i.e., ₹180 per packet, but not Value under Rule 31D. **Value = ₹180 × 1,000 = ₹1,80,000.**
2. On **5th February 2026**, ZNPL supplied 800 packets of pan masala to a distributor in Maharashtra. The RSP printed on each packet was ₹256.	As Pan masala is notified goods, and the supply has taken place w.e.f 1/02/2026, value under Rule 31D is applicable.

<table>
<tr>
<td></td>
<td>
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Aggregate RSP (800 X 256)</td><td>₹2,04,800</td></tr>
<tr><td>Less: GST embedded therein
(₹2,04,800 X 40/140)</td><td>(₹58,514)</td></tr>
<tr><td>Taxable value</td><td>₹1,46,286</td></tr>
</table>
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<tr>
<td>3. On 8 February 2026, ZNPL supplied 500 packets of another variety of pan masala. Each packet displayed the following two RSPs ₹240; and ₹280. ZNPL contends that ₹240 may be adopted because most of the packets were ultimately sold by retailers at ₹240.</td>
<td>Where more than one RSP is declared on the package, the maximum of such RSPs is deemed to be the RSP.
Therefore Relevant RSP is ₹280 per packet.
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Aggregate RSP (500 X ₹280)</td><td>₹1,40,000</td></tr>
<tr><td>Less: GST (₹1,40,000 X 40/140)</td><td>(₹40,000)</td></tr>
<tr><td>Taxable value</td><td>₹1,00,000</td></tr>
</table>
</td>
</tr>
<tr>
<td>4. A consignment of cigarettes falling under heading 2402 originally carried an RSP of ₹320 per carton. Before the goods were supplied on 12 February 2026, ZNPL increased and re-declared the RSP to ₹352 per carton. Quantity supplied: 400 cartons. ZNPL proposes to adopt ₹320 since that was the RSP when the goods were originally packed.</td>
<td>Where the declared RSP is altered to increase the RSP, the increased/altered RSP is deemed to be the RSP.
Original RSP = ₹320
Revised RSP = ₹352
Therefore, the relevant RSP is ₹352 per packet
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Aggregate RSP (400 X ₹352)</td><td>₹1,40,800</td></tr>
<tr><td>Less: GST (₹1,40,800 X 40/140)</td><td>(₹40,229)</td></tr>
<tr><td>Taxable value</td><td>₹1,00,571</td></tr>
</table>
</td>
</tr>
<tr>
<td>5. Another consignment of notified tobacco products was removed from the factory carrying an RSP of ₹300 per unit. Before the goods were ultimately supplied/sold in the distribution chain, the RSP was lawfully increased to ₹320 per unit. ZNPL seeks your advice regarding the RSP relevant for valuation.</td>
<td>Even if RSP is revised after the notified goods are supplied from the factory, such revised RSP is relevant.

Therefore, the relevant RSP is ₹320 per unit.</td>
</tr>
</table>

<table>
<tr>
<td>6. ZNPL also supplied tobacco leaves falling under heading 2401 on 18 February 2026. The packages carried an RSP. ZNPL's accounts department proposes to apply Rule 31D merely because heading 2401 appears in the notification.</td>
<td>Heading 2401 covers Unmanufactured tobacco; tobacco refuse other than tobacco leaves. Thus, tobacco leaves are expressly excluded.

Rule 31D will not apply to the tobacco leaves referred to in the question. Normal valuation provisions will apply.</td>
</tr>
<tr>
<td>7. ZNPL supplied biris falling under heading 2403 on 20 February 2026. The RSP was ₹100 per package. Its tax manager states that Rule 31D should apply because heading 2403 is generally included in the notified list.</td>
<td>The notified description under heading 2403 excludes biris
Therefore, Rule 31D does not apply merely because biris fall under heading 2403.
Their valuation will be governed by the otherwise applicable valuation provisions.</td>
</tr>
<tr>
<td>8. ZNPL manufactures a notified product falling under tariff item 2404 11 00. The packages bear area-specific RSPs as follows:
<table>
<tr><th>Area</th><th>RSP per unit</th></tr>
<tr><td>Maharashtra (100 units)</td><td>₹300</td></tr>
<tr><td>Karnataka (100 units)</td><td>₹325</td></tr>
<tr><td>Tamil Nadu (50 units)</td><td>₹340</td></tr>
</table>
ZNPL proposes to adopt the highest RSP of ₹340 for all 250 units on the ground that the notification requires the highest RSP to be taken.</td>
<td>Where different RSPs are legitimately declared for packages intended for sale in different areas, the RSP applicable to the respective area is adopted.
Therefore:
<table>
<tr><th>Destination</th><th>Relevant RSP</th><th>Value</th></tr>
<tr><td>Maharashtra</td><td>₹300</td><td>₹30,000</td></tr>
<tr><td>Karnataka</td><td>₹325</td><td>₹32,500</td></tr>
<tr><td>Tamil Nadu</td><td>₹340</td><td>₹17,000</td></tr>
</table>
ZNPL's proposal to use ₹340 for all supplies is incorrect.

Note: Only in case of multiple RSP on the same package</td>
</tr>
<tr>
<td>9. ZNPL supplied products falling under tariff item 2404 19 00, containing nicotine substitutes and intended for inhalation without combustion. The RSP declared was ₹640 per unit.
Quantity: 50 units.
The supply was made from Maharashtra to a customer in Gujarat and is therefore an inter-State supply.</td>
<td>Products falling under 2404 19 00, containing tobacco or nicotine substitutes and intended for inhalation without combustion, are specifically notified.
Therefore, Rule 31D applies.
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Aggregate RSP (50 X ₹640)</td><td>₹32,000</td></tr>
<tr><td>IGST @ 40% (₹32,000 X 40/140)</td><td>(₹9,143)</td></tr>
<tr><td>Taxable value</td><td>₹22,857</td></tr>
</table></td>
</tr>
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SEGMENT 27 – PROCEDURES UNDER CUSTOMS

Baggage

Baggage Rules, 2026 – Download separate pdf –
https://www.tharunraj.com/downloads

Deferred Payment of Import Duty[2]

1. Expansion of eligible classes of importers

Ordinarily, imported goods are cleared after completion of customs assessment and payment of duty. However, the Central Government may permit specified classes of importers to defer payment of import duty and other charges.
The following classes are permitted to avail the deferred payment facility:

1. **AEO-T2 and AEO-T3 importers**
2. **Authorised Public Undertakings**
3. **Eligible Manufacturer Importers (EMIs)**

Effective date for EMI facility: 1 April 2026
Availability: Up to **31 March 2028**

2. Meaning of Eligible Manufacturer Importer

An **Eligible Manufacturer Importer** means a **Manufacturer Importer approved by the Directorate of International Customs under CBIC**.

The benefit is not automatic. The importer must satisfy the prescribed eligibility conditions and obtain approval.

3. Eligibility conditions for an Eligible Manufacturer Importer

An applicant should broadly satisfy all of the following conditions:

Condition	Requirement
Nature of activity	Must be an **importer and manufacturer**
Job-work alternative	Even if manufacturing is undertaken through a job worker, inputs/machinery may be sent to such job worker without payment of tax, subject to applicable provisions
IEC	Must possess a **valid Import-Export Code**
Import/export documents	At least **25 documents** filed in preceding FY
Relaxation for MSME	Minimum reduced to **10 documents**
GST registration	At least **one active GST registration** showing factory/manufacturing as nature of business
Turnover	Combined annual turnover under the same PAN should exceed **₹5 crore** in the preceding FY
Business track record	At least **2 financial years** in business preceding application
GST compliance	All GST returns due as on application date must have been filed

[2] Notification No. **12/2026-Cus. (N.T.) dated 01.02.2026** read with Circular No. **8/2026-Cus. dated 28.02.2026**.

Tax-compliance record	No serious defaults, arrests, convictions or pending prosecution under indirect tax laws
Earlier EMI application	No rejection/suspension for false or forged documents
Financial solvency	CA certificate confirming solvency for the preceding **2 financial years**

4. Clean-record condition

The applicant, proprietor, partners or directors, as applicable, should not have a serious adverse record under indirect tax laws.
The disqualifying situations broadly include:

- GST / Central Excise / Service Tax **collected but not deposited** with Government;
- arrest or conviction under indirect tax laws;
- pending prosecution;
- prior rejection or suspension of EMI status due to false or forged documents.

5. Existing AEO-T1 entities

An important clarification is that:
Existing AEO-T1 entities, including MSMEs, can also apply under the EMI scheme, provided they independently satisfy the prescribed EMI eligibility conditions.
Therefore:
AEO-T1 status by itself does not automatically confer deferred-payment eligibility, but such entity can become eligible under the new EMI route.

6. Amendment to Deferred Payment of Import Duty Rules, 2016

Rule 4 of the Deferred Payment of Import Duty Rules, 2016 has also been amended in relation to the **due dates for payment of deferred import duty**.
Reference: Notification No. **13/2026-Cus. (N.T.) dated 01.02.2026**
Effective from: 1 March 2026

Bill of Entry returned for payment	Prior to amendment	Post amendment
1st to 15th day of any month other than March	16th day of that month	1st day of the following month
16th to last day of any month other than March	1st day of the following month	1st day of the following month
1st to 15th March	16th March	31st March
16th to 31st March	31st March	31st March

Deferred Payment of Import Duty – Important Amendments

Customs Amendment Notes for CA Final

CUSTOMS

INDIA CUSTOMS

1 WHO CAN AVAIL DEFERRED PAYMENT?

- AEO (Tier-Two) and AEO (Tier-Three)
- Authorised Public Undertaking
- Eligible Manufacturer Importer (EMI)

2 KEY EFFECTIVE DATES

Rule 4 due date amendment: Effective from	EMI facility introduced: Effective from	EMI facility available up to:
01.03.2026	**01.04.2026**	**31.03.2028**

Notif. No. 12/2026-Cus. (N.T.) dated 01.02.2026 read with Circular No. 8/2026-Cus. dated 28.02.2026

Notif. No. 13/2026-Cus. (N.T.) dated 01.02.2026

3 WHO IS AN ELIGIBLE MANUFACTURER IMPORTER?

A Manufacturer Importer approved by the Directorate of International Customs under CBIC.

4 MAIN ELIGIBILITY CONDITIONS FOR EMI

- Importer and manufacturer (or sends inputs/ machinery to job worker without tax as permitted)
- Valid IEC
- At least 25 import/export documents in the preceding FY (10 for MSME)
- At least one active GST registration showing factory/manufacturing
- Combined annual turnover above Rs. 5 crore in the preceding FY
- In business for at least 2 financial years
- All pending GST returns filed
- Clean compliance record: no tax collected but unpaid, no arrests/convictions/pending prosecution, no rejection/suspension for false documents
- CA certificate proving financial solvency for the preceding 2 financial years

Existing AEO-T1 entities, including MSMEs, may also apply if these conditions are satisfied.

5 AMENDED DUE DATES UNDER RULE 4

Due dates are inclusive of the period, excluding holidays.

	Bill of Entry returned for payment	Prior to amendment	Post amendment
1.	1st to 15th day of any month other than March	16th day of that month	1st day of the following month
2.	16th day till the last day of any month other than March	1st day of the following month	1st day of the following month
3.	1st day to 15th day of March	16th March	31st March
4.	16th day till the 31st day of March	31st March	31st March

6 QUICK EXAM MEMORY

- **April to February -> 1st of next month**
- **March -> 31st March**
- **EMI** = Manufacturer + IEC + Docs + GST Registration + Rs. 5 Cr turnover + 2 years + GST compliance + clean record + CA solvency certificate

7 KEY TAKEAWAY

The amendment expands deferred payment eligibility by adding Eligible Manufacturer Importers and simplifies due dates for payment of duty.

DUTY ₹

SEGMENT 32 – FOREIGN TRADE POLICY

Exports by AA, EOU and SEZ not eligible for RODTEP[3]

Export by AA units / EOU's/ SEZ's not eligible w.e.f 01/10/26. Which means that upto 30/09/2026, RODTEP benefit is applicable for exports by AA units/ EOU's/SEZ's.

[3] Notification No. 74/2025-26 dated 31.03.2026