

GST Circulars 257 to 264 of 2026: What Hyderabad's IT Corridor Businesses Should Know

On 26 October 2026 the CBIC issued eight GST circulars in a single day (Circular Nos. 257/03/2026-GST to 264/10/2026-GST). For a business in Hyderabad's IT corridor — a software exporter in Gachibowli, a start-up in a Kondapur co-working space, a global capability centre in HITEC City, an NBFC branch in the Financial District — several of them land directly on day-to-day compliance. This note summarises all eight and maps each to the kind of business that is most likely to notice it.

In short: three circulars concern process and litigation (257, 258, 259), three concern input tax credit (260, 261, 262), and two concern exports and refunds (263, 264). Circulars 262 and 264 withdraw or retreat from earlier departmental positions.

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8 GST circulars, one day

Issued 26 October 2026 under section 168(1) CGST Act, 2017

● **Process & litigation** ● **Input tax credit** ● **Exports & refunds**

257

Registration guidelines

Co-working & rented premises proof, REG-03 limits

258

SCN, adjudication, appeals

Notice content, hearings, speaking orders

259

Appeal pre-deposit

Admitted amount, 10% of tax in dispute, refund

260

Input Service Distributor

Head-office credits to multiple locations

261

Section 17(4): banks / NBFCs

GSTR-3B reporting sequence, IMS

262

Demo vehicles ITC

Para 4.6 of 231/25/2024 withdrawn

263

Export payment realisation

SNRR, Nostro, set-off, Rule 96B

264

Rule 96(10) omission

Retrospective from 23.10.2017

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The eight circulars at a glance

Circular	Subject	Key points
257/03/2026-GST	GST registration guidelines	Applicant-side guide to FORM GST REG-01: legal-name match, up to 10 authorised signatories, premises proof by category (own, rented, consent, co-working, SEZ), REG-03 only for three deficiencies, fixed response timelines, Rule 14A simplified registration.

Circular	Subject	Key points
258/04/2026-GST	Demand, adjudication and first appeal	Content of a show cause notice, extended-period allegations, personal hearings, speaking orders, section 161 rectification, scrutiny of first appeals.
259/05/2026-GST	Pre-deposit for appeals	Admitted amount paid in full; pre-deposit of 10% of tax in dispute; Tribunal-stage deposit on the liability confirmed by the Appellate Authority; refund through FORM GST RFD-01; interest by payment date.
260/06/2026-GST	Input Service Distributor	More than one ISD registration allowed; recipient complies with sections 16 and 17; distribution in the month eligibility is prima facie ascertained; rule 54(1A) is a transfer mechanism.
261/07/2026-GST	Section 17(4): banks and NBFCs	Who can opt; entity-wide effect; scope of the second proviso; GSTR-3B sequence through Tables 4(B)(1), 4(B)(2), 4(A)(5) and 4(D)(1); IMS.
262/08/2026-GST	ITC on demo vehicles	Para 4.6 of Circular 231/25/2024-GST withdrawn; ITC on demo vehicles not blocked under section 17(5)(a) for a dealer working on the dealer-agency model.
263/09/2026-GST	Export payment realisation	Receipts through SNRR, INR Nostro and similar repatriable accounts, permitted set-off and reinsurance net retention treated as meeting section 2(6)(iv) of the IGST Act; Rule 96B period follows FEMA / RBI.
264/10/2026-GST	Omission of rule 96(10)	Omission effective retrospectively from 23.10.2017 after the Supreme Court's ruling in Goodluck India (06.08.2026); same treatment for rules 89(4A) and 89(4B).

Where each circular is likely to matter in Kondapur, Gachibowli and HITEC City

The table below is an orientation aid. It lists business profiles commonly found across the Kondapur – Gachibowli – HITEC City – Madhapur – Financial District belt and the circular each is most likely to want to read. It is illustrative and not a statement about any particular taxpayer.

Business profile	Circular	Why it is relevant
Start-ups and consultancies operating from co-working or serviced offices (Kondapur, HITEC City, Madhapur)	257	The Circular sets out the premises documents for each category, including co-working space, and limits the queries an officer may raise at the application stage.
Software and IT-enabled services exporters (Gachibowli, HITEC City)	263	Clarifies which receipts – convertible foreign exchange, repatriable INR accounts such as SNRR and INR Nostro, permitted set-off – satisfy the payment condition for export of services.
Exporters of goods and refund claimants, including those with pending refund disputes	263, 264	Rule 96B realisation period follows FEMA; omission of rule 96(10) is treated as retrospective from 23.10.2017 for pending proceedings.
Multi-location companies and global capability centres with a head office in the corridor	260	Clarifies multiple ISD registrations, who complies with sections 16 and 17, and the same-month distribution requirement.
Banks, NBFCs and financial institutions (Financial District, Nanakramguda, HITEC City)	261	Prescribes who may opt for section 17(4) and the GSTR-3B reporting sequence; all qualifying registrations of the entity follow the option.
Motor vehicle dealers and their service providers in Hyderabad	262	Demo vehicles: the dealer-agency model dealer is no longer treated as blocked under section 17(5)(a).
Any taxpayer with a notice, order or appeal pending before GST authorities	258, 259	Standards for notices, hearings and orders; computation and refund of the appeal pre-deposit.

Common threads across the eight circulars

The Board is recording what the courts have said. Circular 258 draws on Supreme Court and High Court rulings on notices and adjudication; Circular 264 follows the Supreme Court in *Goodluck India Limited*; Circular 263 aligns GST with FEMA; Circular 262 withdraws an earlier paragraph on the ground of discriminatory effect.

Procedural fairness is the theme of the first three. The registration Circular limits officer queries; the adjudication Circular asks for notices that carry their particulars and orders that address every submission; the pre-deposit Circular removes inconsistent practice on computation and refund.

Credit mechanics are being clarified and tightened together. The ISD Circular places eligibility on the recipient; the section 17(4) Circular prescribes the GSTR-3B sequence; the demo-vehicle Circular narrows a block.

What changes and what remains open

Area	Change	Still open
Registration	Document-by-premises checklist; officer query limits	State-specific fields; ground-level compliance by officers
SCN and orders	Detailed drafting standards	Whether taxpayers can rely on the Circular directly
Pre-deposit	Admitted vs disputed amount; Tribunal deposit on confirmed liability; refund route	Rate and cap under sections 107(6) and 112(8) to be read from the Act as amended
ISD	Multiple ISDs; recipient compliance	Effect on past refund computations under rule 54(1A)
Section 17(4)	Option is entity-wide for qualifying registrations	Reconciliation of past inconsistent choices
Demo vehicles	Dealer-agency model no longer blocked	Past periods and time limits for re-claim
Exports	Repatriable INR routes accepted; Rule 96B period per RBI	Retrospectivity not stated
Rule 96(10)	Retrospective from 23.10.2017 for pending proceedings	Closed matters and limitation (litigative)

Risk view across the eight circulars

Circular	Where exposure sits	Level
257	Premises-proof mismatch; missed REG-03 reply	High
258	Notices or orders that depart from the Circular; appeals benefit	High for the department
259	Wrong admitted / disputed split; incorrect Tribunal deposit	Moderate to High
260	Distribution not attributable; reversals left with the wrong entity	High
261	Inconsistent opt-in; wrong table in GSTR-3B	High
262	Past denials not revisited	Moderate
263	NRO receipts; non-compliant set-off	High
264	Closed refund matters	Uncertain

Frequently asked questions

Are all eight circulars issued under the same power? Each states that it is issued under section 168(1) of the CGST Act, 2017.

Which circular affects pending litigation the most? Circulars 258, 259 and 264 bear directly on pending notices, appeals and refund proceedings.

Do the circulars create new statutory rights? They are clarifications and guidelines under section 168(1); statutory rights arise from the Act and the Rules.

Are any earlier circulars withdrawn? Circular 262 withdraws para 4.6 of Circular No. 231/25/2024-GST dated 10.09.2024.

Where can the circular text be read? On the CBIC website, cbic.gov.in.

Speak to the ComplianceKart team

ComplianceKart is a Hyderabad-based practice where Chartered Accountants, Company Secretaries and Advocates work under one roof on GST, registrations, ROC and FEMA matters, serving businesses across Kondapur, Gachibowli, HITEC City, Madhapur, Kokapet, Nanakramguda and the Financial District. For queries on this article: team@compliancekart.com · [9959536391](tel:9959536391) · 7th Floor, Pranava Business Park, Innov8, Kondapur, Kothaguda, Miyapur–Gachibowli Road, Hitech City Road, Hyderabad, Telangana 500084.

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