

TAX BULLETIN

Insights, Updates & Knowledge

March 2026

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About The Tax Bulletin

The Tax Bulletin from Team CGA Legal, is intending to keep its readers updated with all important legal and judicial updates in Goods & Services Tax and other Tax laws. The Newsletter also has a special column of Tax Alerts for the month. Along with it, CGA Legal also sends various legal recommendations which have immense implications in improving the compliance in your business.

All editions of our newsletters can be referred from below link below;

<https://www.cgalegal.co.in/newsletters.php>

Other Offerings from Team CGA Legal

- **CGA Legal Tax Alert:** Our Monthly Calendar detailing all GST & Income Tax related compliances for the month so that you never miss of any of the compliances.
- **CGA Legal Meet:** Our Monthly Webinar series discussing various trending GST legal and compliance issues

All the previous editions can be accessed on our website

www.cgalegal.co.in

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Tax Alert - March 2026

Date	Types of Return	Period	Types of Taxpayer
07-03-2026	TDS/TCS deducted/collected	February 2026	All persons (Company, LLP, Partnership, Proprietorship, Trust, Individuals liable for audit) who have deducted/collected TDS/TCS in February.
10-03-2026	GSTR-7	February 2026	TDS Deductor
10-03-2026	GSTR-8	February 2026	E-Commerce Operator
11-03-2026	GSTR-1	February 2026	Turnover more than INR 5 crore in the preceding FY or Turnover up to INR 5 crores and opted for monthly return filing
13-03-2026	Details of Outward Supplies through Invoice Furnishing Facility [IFF]	February 2026	Taxpayers who are under QRMP Scheme
13-03-2026	GSTR-6	February 2026	ISD
13-03-2026	GSTR-5	February 2026	Non Resident Taxable Person
15-03-2026	Advance Tax-4th Installment	FY 2025-26	All taxpayers: Companies, LLPs, Firms, Professionals, Business owners, Individuals if advance tax liability for the year \geq ₹10,000 except Senior citizens without business income and Taxpayers under Presumptive Income Scheme (44AD/44ADA)
20-03-2026	GSTR-3B	February 2026	Turnover more than INR 5 crore in the preceding FY or Turnover upto INR 5 crore in the preceding FY but opted for monthly return filing
20-03-2026	GSTR-5A	February 2026	OIDAR
25-03-2026	GST PMT-06	February 2026	Taxpayer who has opted for QRMP Scheme has to deposit tax using form GST PMT-06 by the 25th of the following month, for the first and second months of the quarter
28-03-2026	GSTR-11	February 2026	UIN Holders

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

As the financial year approaches closure, businesses may consider undertaking a structured review of their Goods and Services Tax (GST) compliances. A timely year-end evaluation may help identify reporting gaps, safeguard eligible input tax credits, and minimize potential disputes or interest exposure in future assessments.

The GST framework places considerable emphasis on reconciliation between books of account and statutory returns. Accordingly, organizations may review certain key compliance areas before closing the books for FY 2025–26 to ensure alignment between financial records and GST filings.

Key Year-End Action Points for Businesses

Businesses may consider undertaking the following actions as part of their GST year-end compliance review:

1. Registration & Basic Compliance

- Review GST registration details to confirm that business address, constitution, and nature of activities reflect the current operational position.
- Update the **top commodities or services** in the GST registration where new lines of business have been introduced.
- File the **Letter of Undertaking (LUT) for FY 2026–27** where exports are undertaken without payment of IGST.

2. Invoice Series & Documentation

- **Close current invoice series on 31 March 2026**
- **Start a new series from 1 April 2026.**

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

- Maintain separate series for:
 - ✓ Tax invoices
 - ✓ Export invoices
 - ✓ Credit notes / Debit notes
 - ✓ Delivery challans issued for job work
 - ✓ Self-invoices under Reverse Charge Mechanism (RCM)
- Review compliance with **e-invoicing requirements**, wherever applicable.

3. Output Tax Review

- Reconcile **sales register with GSTR-1 and GSTR-3B**.
- Review **GST rates and place of supply** applied to transactions.
- Identify **unbilled revenue or advances** liable to GST.

4. Credit Notes / Debit Notes

- **Issue credit notes** for sales returns or post-sale discounts, or commercial adjustments.
- **Issue debit notes** for under-billing or price revisions.
- Ensure **proper reporting of adjustments in GSTR-1**.

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

5. Input Tax Credit (ITC)

- Reconcile **purchase register with GSTR-2B and GSTR-3B.**
- Identify eligible **ITC relating to FY 2025–26** which has not yet been claimed Check invoices appearing in GSTR-2B but not claimed.
- Review **blocked ITC under Section 17(5).**
- Identify purchases from **cancelled GSTIN suppliers** and follow up with vendors.
- Review vendor payments outstanding beyond **180 days** which may require ITC reversal under Rule 37.

6. Vendor Follow-ups (2B Reconciliation)

- **Identify invoices** booked in books but not appearing in GSTR-2B.
- **Follow up vendors** to upload invoices in GSTR-1.
- **Track non-compliant vendors** / return defaulters that may affect ITC eligibility.

7. Reverse Charge Mechanism (RCM)

- Identify expenses liable under **reverse charge**, including:
 - ✓ Legal services
 - ✓ Goods Transport Agency (GTA) services
 - ✓ Director remuneration
 - ✓ Import of services
- Issue **self-invoices and payment vouchers** where applicable.
- Ensure payment of RCM liability and availment of eligible ITC.

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

8. Export and Import Transactions

- **Verify exports** made under LUT or with IGST payment.
- **Reconcile export turnover** with GST returns and books.
- Check whether **shipping Bill details** etc have been updated in the returns for all exports related to FY 2025-26
- **Verify ITC on import IGST.**

9. E-Invoice & E-Way Bill Check

- **Reconcile IRN data** with sales register.
- **Verify e-way bill generation** for applicable supplies.

10. Reconciliation with Books

- **Reconcile:**
 - ✓ Sales with GSTR-1 and GSTR-3B
 - ✓ Purchases with GSTR-2B
 - ✓ ITC with the Electronic Credit Ledger
 - ✓ GST liability with the Electronic Liability Ledger

11. Expense Booking & ITC

- Ensure all **FY 2025-26 expenses are booked** before year close.
- **Verify ITC eligibility** on booked expenses.

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

12. Return Filing Review

- Confirm filing of all applicable return including:
 - ✓ **GSTR-1**
 - ✓ **GSTR-3B**
 - ✓ Other applicable returns
- Review interest or late fee exposure.

13. Additional GST Compliance Requirements

- Opting of Tax payment under **Forward charge or Reverse charge by GTA**
- Opting for / out of **Composition Scheme**
- **Job Work:** Ensure that the inputs sent out for job work activity have been received back within one year from the date of being sent out and three years in case of capital goods sent for job work
- Reconciliation of **GST TDS/ TCS credit**
- **Physical Stock Measure:** The physical stock needs to be reconciled with the stock according to the books of account. This would be fruitful in the case of Income Tax as well as GST audit. In case of any discrepancies, appropriate ITC reversals on goods lost/ stolen/ destroyed/ given free of cost should be considered.

14. Internal GST Review

- Undertake an internal GST compliance review.
- Identify potential litigation exposure, classification issues, or ITC risks prior to finalization of financial statements.

GST Updates – Key GST Wrap Ups for the FY 2025-26

GST Year-End Essentials for the FY 2025-26

Conclusion

A systematic year-end GST review may assist businesses in aligning their statutory filings with financial records while preserving legitimate tax credits. Early identification of compliance gaps may also reduce exposure to interest, penalties, or disputes under GST.

For assistance in conducting the above review or addressing specific GST matters, businesses may consider consulting their tax advisors.

GST Updates – GST Technical Update

Gross and Net GST revenue collections for the month of Feb, 2026

Dated: 01-03-2026

India's gross GST revenue collection for February 2026 stood at ₹1.83 lakh crore, reflecting an increase of about 8.1% on a year-on-year basis, indicating steady economic activity and improved tax compliance.

Please click on the link below to view the gross and net GST revenue collections for the month of Feb, 2026.

https://tutorial.gst.gov.in/downloads/news/final_approved_monthly_gst_data_for_website_feb_2026_01032026.pdf

New Facility to Withdraw from Rule 14A Registration

Dated: 21-02-2026

GSTN has enabled a facility to withdraw from Rule 14A registration through Form GST REG-32.

Key conditions

- Taxpayer must have filed all pending returns.
- All outstanding dues must be cleared.
- Minimum compliance period must be satisfied.

Impact

Provides relief for taxpayers who no longer wish to remain registered under the simplified scheme.

GST Updates – GST Technical Update

Flexible Utilization of Input Tax Credit for IGST

Dated: 19-02-2026

A new functionality has been enabled on the GST portal from February 2026.

New feature

Taxpayers can now use CGST or SGST credit to pay IGST liability in any order, but only after fully utilising IGST credit.

Impact

- Improves ITC utilisation flexibility
- Helps taxpayers manage credit balances more efficiently.

Enhancement in Interest Computation in GSTR-3B

Dated: 19-02-2026

The GST portal has introduced enhancements related to interest calculation and reporting in GSTR-3B.

Revised Interest Computation Formula

Interest = (Net Tax Liability – Minimum Cash Balance in ECL from due date to date of debit) × (No. of days delayed / 365) × Applicable Interest Rate

The implementation of this enhancement shall begin from the returns for the month of February 2026 onwards.

GST – Judicial Precedents

1. Registration

Whether registration of petitioner(s) under CGST Act, 2017 could have been cancelled with retrospective effect even though it is not so proposed in show cause notice(s)?

M/s Bansal Casting, S.K. Enterprises Versus Union of India [Punjab & Haryana High Court]

Held: The Court held that although Section 29(2) of the CGST Act confers power to cancel registration from a retrospective date, the exercise of that power must be preceded by notice to the assessee of the proposal to cancel retrospectively and the reasons/material relied upon. A show cause notice must disclose the basic grounds or premises of the proposed action so that the person proceeded against has a fair opportunity to meet the case; absence of any proposal for retrospective cancellation in the notices issued rendered the subsequent retrospective effect unsustainable.

Impugned cancellations made effective retrospectively without any proposal or reasons in the show cause notices are set aside; authorities may, if otherwise warranted, recommence proceedings and may impose retrospective cancellation only after giving specific notice and opportunity in accordance with law.

The Court quashed the impugned cancellation orders and corresponding show cause notices for procedural infirmities - absence of proposal for retrospective cancellation, non-supply of supportive documents, and non-speaking orders - and permitted the revenue to reinitiate proceedings, including retrospective cancellation if justified, only after giving specific notice, supplying material relied upon and affording a reasoned hearing in accordance with law.

GST – Judicial Precedents

2. Supply

Taxability of leasehold assignment questioned; interim stay granted on recovery and adjudication pending final disposal

Swastik Processor Versus Union of India & Ors. [Bombay High Court]

Issues: Whether assignment/transfer of leasehold rights (including leasehold of land with building) constitutes a "supply" liable to GST under the charging provisions of the Central Goods and Services Tax Act; and whether interim protection should be granted to stay recovery and adjudication pending final disposal.

Analysis: The Court examined prior decisions, notably the Gujarat High Court's decision in Gujarat Chamber of Commerce and Industry and subsequent Gujarat rulings (including Life Sciences Chemicals), and noted that those decisions concluded that assignment of leasehold rights does not amount to a taxable supply under the charging provisions. The Supreme Court has been seized of related appeals but has not stayed the Gujarat decisions. In light of the existing High Court and coordinate bench decisions and the absence of a stay by the Supreme Court, the Court considered it appropriate to afford interim protection to petitioners who challenge show cause notices and orders concerning the levy of GST on assignments of leasehold rights.

Conclusion: Interim protection granted in favour of the assessee; pending final disposal no recovery shall be effected under impugned orders and adjudication of outstanding show cause notices shall remain stayed.

GST – Judicial Precedents

3. Appeals

Section 107 period starts only when authority actively communicates order to assessee; mere GSTN upload is not communication

Sharp Tanks and Structural Private Limited Versus Deputy Commissioner (GST) (Appeals) [Madras High Court]

Facts: The petitioner submits before this Court that the impugned orders were not served on them and that they were only uploaded in the GSTN Portal. Since the petitioner was in the dark, he missed the time line for filing the appeals.

HELD THAT:- The limitation will start running from the date on which the order or decision is communicated to the assessee. The provision does not say that limitation should be calculated from the date of service of the order on the assessee. Section 169 talks about service. Of course, it talks about serving not only decision, order, summon or notice but also other communication. When a statute employs two different expressions, they denote different meanings. The expressions “served” and “communicated” are not synonymous. A literary person, to flaunt his richness of vocabulary, may use different words to mean one and the same thing. A lawmaker will desist from such endeavour. Article 22 of the Constitution of India also employs the expression “communicate”. It has been held in more than one decision that communication is a strong word. In P.Ramanatha Aiyar's Advanced Law Lexicon, the term “communicate” is defined to mean impart or transmit information. The element of reaching out is implied in communication.

The expression “communication” should be understood in this sense. But mere uploading in the portal by no stretch of imagination would satisfy the requirement of communicating to the assessee. The statute obliges the authority to communicate to the assessee. There is no obligation cast on the assessee to access the portal.

GST – Judicial Precedents

4. Registration

Retrospective GST registration cancellation invalid for unsigned order; Rule 26(3) CGST Rules requires physical or digital signature

Himmat Singh Bhavar Singh Chadana Versus Union of India and Others [Bombay High Court]

Facts: The learned Counsel for the Petitioner now points out that the impugned cancellation order dated 14th November 2020 was neither signed by the Officer who made it, nor was any digital signature affixed as required under Rule 26 (3) of the CGST Rules, 2017. Petitioner submitted that she had written instructions from Brijay Singh Rathod, Assistant Commissioner (Legal) CGST and C.Ex, Palghar, to state that when the impugned order of 14th November 2020 was made, there was no provision to digitally sign the correspondence issued to the taxpayers. She also produced on record the written instructions issued to her.

HELD THAT:- Rule 26 (3) came into effect from 22nd June 2017. Therefore, the contention that on 14th November 2020, there was no provision to digitally sign the correspondence issued to the taxpayer may not be correct. The contention that since an Appeal was filed, the Petitioner must have been issued a signed or a digitally signed order also cannot be accepted. There is neither any record nor any statement made on oath that a signed or digitally signed order was indeed issued to the Petitioner. The Petitioner has produced a copy of the order dated 14th November 2020, which bears no signature or digital signature.

Therefore, the onus was on the Respondents to establish compliance. This onus cannot be discharged based upon the inferential contention now raised before us. If there was any signed order, the respondents should have produced it. The respondents should have explained how the petitioner was in possession of the unsigned order, the authenticity of which is not disputed.

The order dated 14th November 2020, as it now stands, would be no order in the eyes of the law until the same is signed or digitally signed in the order of the Appellate Authority dated 28th February 2025 dismissing the Appeal on the ground of limitation shall not survive. Appeal disposed off.

GST – Judicial Precedents

5. Input Tax Credit

Validity of Rule 39(1)(a) of the Central Goods and Services Tax Rules, 2017 regarding distribution of ITC by ISD

Reliance Jio Infocomm Ltd Rep by its Power of Attorney Holder Kumar Jayaraman Versus Union of India [Madras High Court]

Facts: The core of the dispute was whether an Input Service Distributor (ISD) is legally required to distribute Input Tax Credit (ITC) in the same month that a supplier's invoice is issued. The tax authorities had issued show-cause notices alleging that the petitioner had wrongly availed ITC by delaying its distribution beyond the month of invoice receipt, which they claimed violated the strict mandate of Rule 39(1)(a). The petitioner argued that such a strict requirement was practically impossible to fulfill and legally flawed. They contended that an ISD cannot distribute credit simply because an invoice exists; it must first verify that the conditions for entitlement under Section 16 of the CGST Act are met—such as the actual receipt of services and the payment of tax by the supplier. Relying on the principle that ITC is a statutory concession, the petitioner argued that forcing distribution before these conditions are satisfied would lead to "excess distribution" and subject the company to penalties and interest under Section 21.

Held:- The Court applied the doctrine of harmonious construction, reading Section 20 (governing ISD distribution) in conjunction with Section 16 (governing ITC eligibility). The Bench held that the phrase "input tax credit available for distribution" in Rule 39(1)(a) must be interpreted to mean credit that has legally converted into "available credit" only after the fulfillment of all mandatory conditions under Section 16(2). It rejected the idea that the mere receipt of an invoice triggers the distribution requirement, noting that such an interpretation would create absurdity and conflict with the broader statutory scheme. In its final conclusion, the Court upheld the validity of Rule 39(1)(a) by "reading it down" to align with the Act. It ruled that distribution must occur in the month in which the registered person becomes legally entitled to the credit under Section 16(2), rather than strictly the month of invoice issuance. Consequently, the Court directed that the pending show-cause notices be adjudicated afresh based on this interpretation, allowing the petitioners two months to file their replies to the authorities.



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