

E-PISTLE

(Monthly Newsletter)

February and March 2026

Overview

- 01 Budget Highlights
- 02 Budget with AI
- 03 Income Tax Updates
- 04 GST Updates

GOVERNMENT OF INDIA
UNION BUDGET 2026-27

BUDGET HIGHLIGHTS

The Union Budget 2026-27 focuses on simplification, growth, and innovation. We are delivering a **SIMPLE TAX CODE** for all, making taxes easier to file and understand. A massive **INFRASTRUCTURE PUSH** is underway, with major investments in dedicated freight corridors, new national highways, high-speed rail, and ports. Strategic emphasis on **TECHNOLOGY & INNOVATION** will drive our future through new Semiconductor and Electronics schemes, and a Global Cloud & AI Hub. Our unwavering focus remains on **PEOPLE & SKILLS** to empower a multi-skilled workforce, and a modern, sustainable **AGRICULTURE & RURAL DEVELOPMENT** sector. This budget paves a sustainable path to a **VIKSIT BHARAT**.

India's economic trajectory

Viksit Bharat, balancing ambition with inclusion

Action Over Ambivalence

Reform Over Rhetoric

People Over Populism

AIM

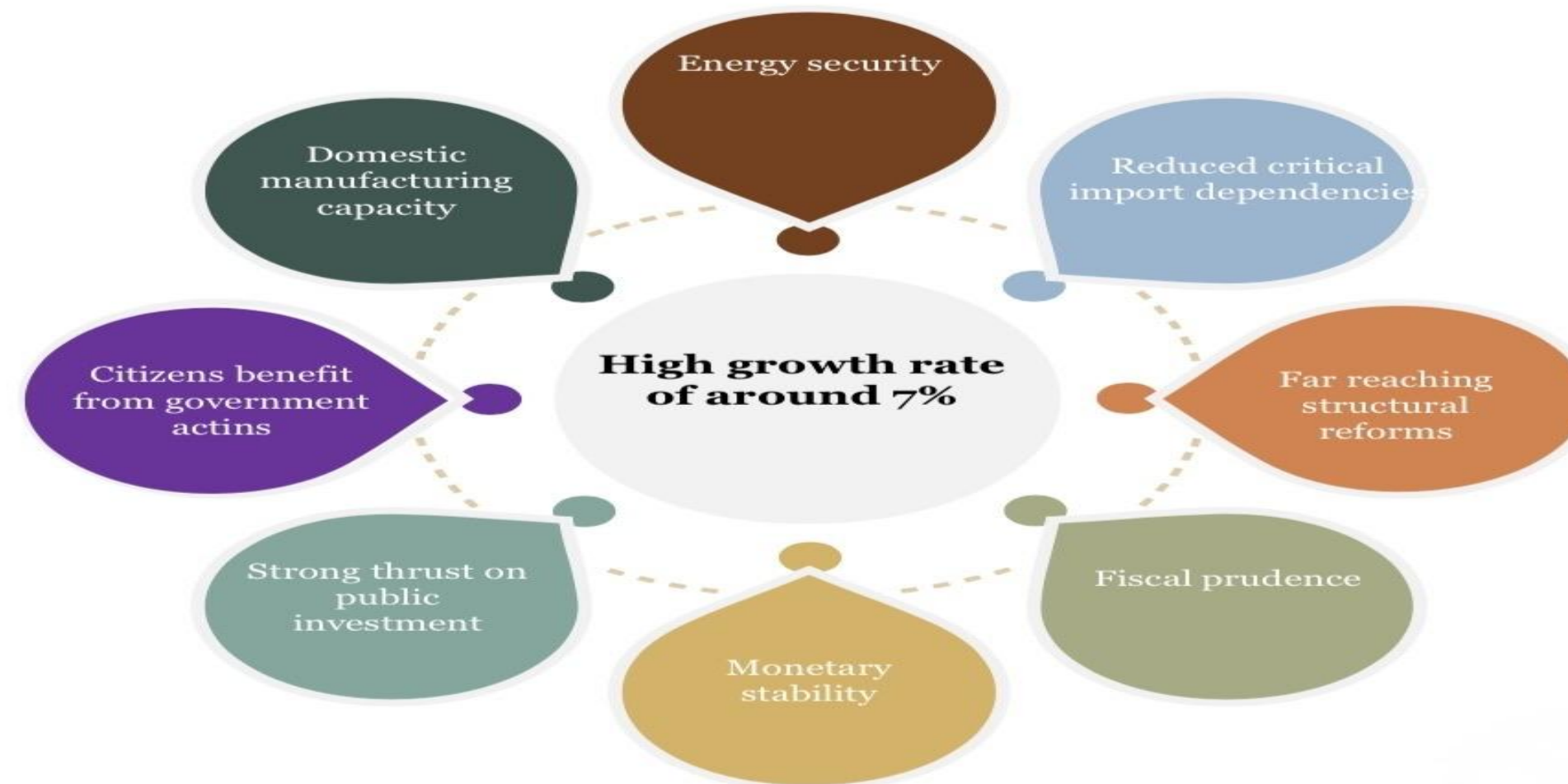
- Transform aspiration into achievement
- Potential into performance

STABILITY

FISCAL DISCIPLINE

SUSTAINED GROWTH

MODERATE INFLATION



Yuva Shakti-driven Budget

Government's 'Sankalp'

To focus on poor, underprivileged and disadvantaged



India's Reform Express



- Government has undertaken **comprehensive economic reforms** towards creating employment, boosting productivity and accelerating growth.
- Over **350 reforms** have been rolled out, including GST simplification, notification of Labour Codes, and rationalisation of mandatory Quality Control Orders.
- High Level Committees** have been formed.
- Central Government is working with the State Governments on **deregulation** and reducing compliance requirements.

Pillars of Growth and Development



Sustaining Economic Growth



Strengthening the Foundations of Growth



People-Centric Development



Trust-based Governance



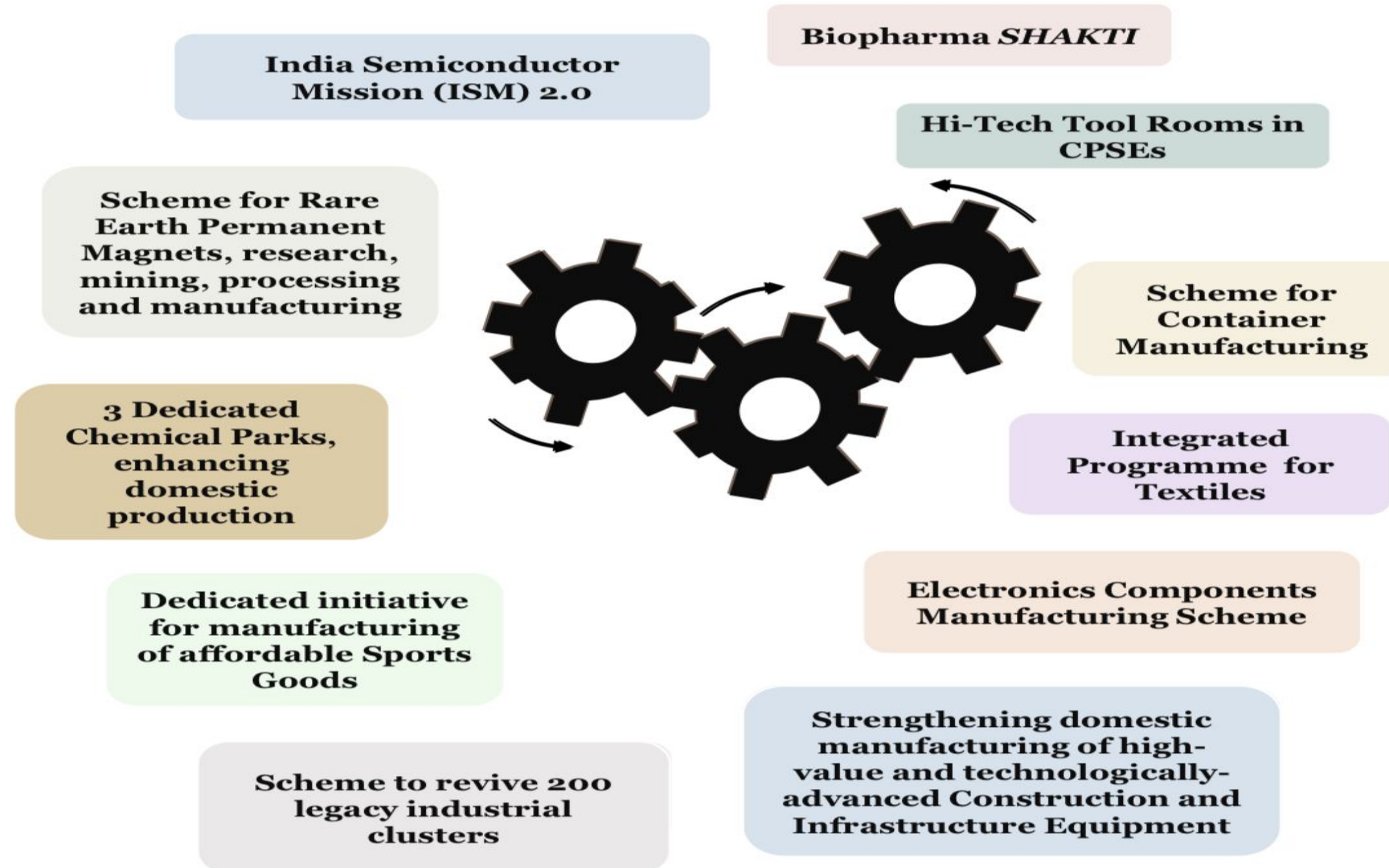
Ease of Doing Business and Ease of Living



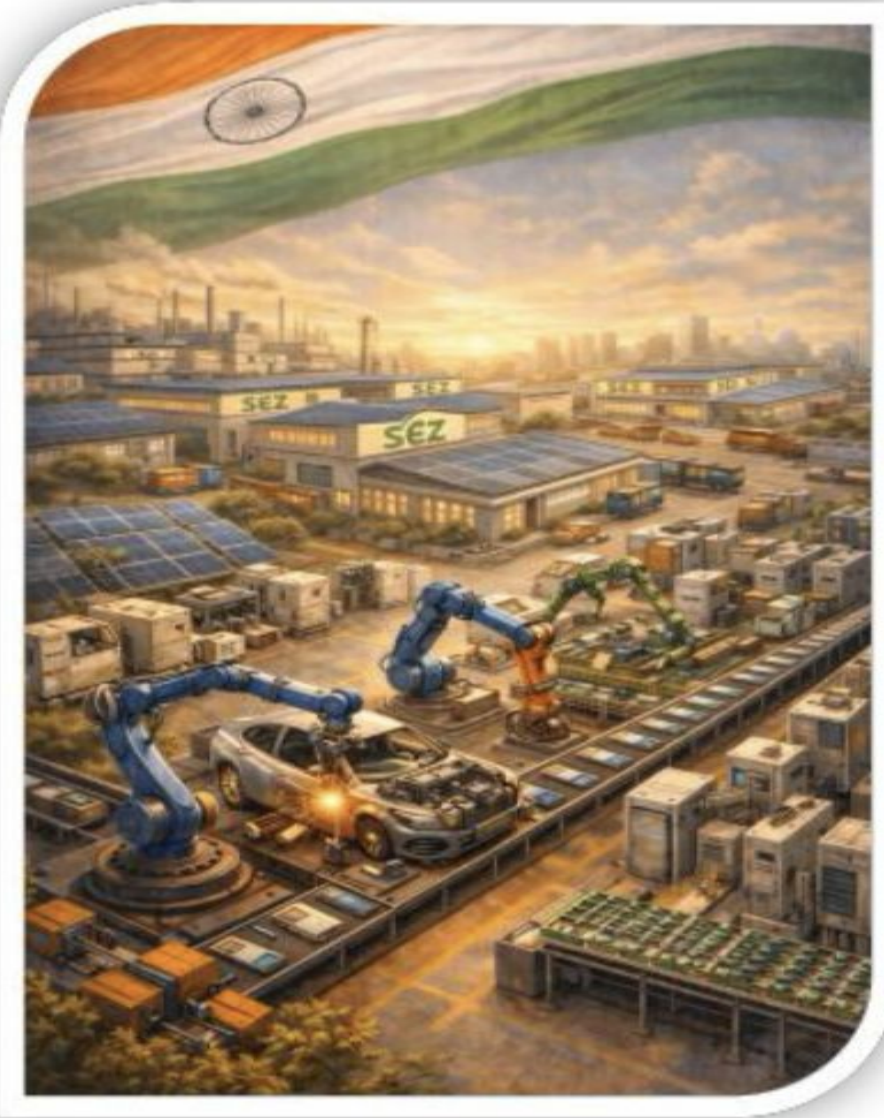
Fiscal matters

1. Sustaining Economic Growth

1.1 Manufacturing - Strategic and Frontier Sectors



Tax Reforms to boost Manufacturing Sector



Exemption from income tax for five years to non-residents providing capital goods, equipment or tooling, to any toll manufacturer in a bonded zone.

Provision of safe harbour to non-residents for component warehousing in a bonded warehouse.

Deferred duty payment window to trusted manufacturers.

Increase the limit for duty-free imports of specified inputs used for processing seafood products for export, from the current 1 per cent to 3 per cent of the FOB value of the previous year's export turnover.

Duty-free imports of specified inputs extended to export of shoe uppers in addition to leather or synthetic footwear.

Extension of time for the export of final product from the existing 6 months to 1 year, for exporters of leather or textile garments, leather and synthetic footwear.

Exemption from basic customs duty on specified parts used in the manufacture of microwave ovens.

Exemption from basic customs duty on components and parts used in aircraft manufacturing.

Exemption from basic customs duty on raw materials imported for manufacture of aircraft parts used in maintenance, repair, or overhaul requirements defence units.

Regular importers with trusted longstanding supply chains to be recognized in the risk system.

Export cargo using electronic sealing to be provided through clearance from the factory premises to the ship.

A special one-time measure to facilitate sale in domestic tariff area at concessional rate of duty by eligible manufacturing units of SEZs.

Three-pronged approach to help MSMEs grow as 'Champions'



Equity Support

- Dedicated ₹10,000 crore **SME Growth Fund**.
- Top up the Self-Reliant India Fund (2021) with ₹2,000 crore.



Professional Support

Government to facilitate Professional Institutions to develop 'Corporate Mitras' especially in Tier-II and Tier-III towns, to help MSMEs meet compliance requirements at affordable costs.



Liquidity Support through TReDS

- Mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a benchmark for other corporates.
- Introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on the TReDS platform.
- Linking GeM with TReDS to encourage cheaper and quicker financing.
- TReDS receivables as asset-backed securities, to develop a secondary market and enhance liquidity and settlement of transactions.

Tax Proposal - Removal of the current value cap of ₹10 lakh per consignment on courier exports.

1.2 Renewing the emphasis on Services Sector

Service Sector

High-Powered 'Education to Employment and Enterprise' Standing Committee to focus on the Services Sector as a core driver of Viksit Bharat.

Upgrade and establishing new institutions for **Allied Health Professionals (AHPs)** in ten selected disciplines.

Health

Care Ecosystem

Developing a variety of **NSQF-aligned programmes** to train 1.5 lakh multiskilled caregivers.

Schemes to support States in **establishing Five Hubs for Medical Value Tourism** in partnership with the private sector.

Medical Tourism

AYUSH

3 new All India Institutes of Ayurveda, upgrading AYUSH pharmacies and Drug Testing Labs for higher standards of certification ecosystem, & **upgrading the WHO Global Traditional Medicine Centre.**

Setting up AVGC Content Creator Labs in 15,000 secondary schools and 500 colleges.

Orange Economy

Design

Setting up of a new National Institute of Design through the Challenge route in **eastern region of India.**

Khelo India Mission - integrated talent development pathway, systematic coaching development, intergration of science & technology and development of sports infrastructure.

Sports



Education

5 University Townships in the vicinity of major industrial and logistic corridors.

A girls' hostel in Higher Education STEM institutions in **every district**.

Setting up or upgrading of four **Telescope Infrastructure facilities**.

Setting up a National Institute of Hospitality as a bridge between academia, industry and the Government.

Pilot scheme for upskilling 10,000 guides in 20 iconic tourist sites.

National Destination Digital Knowledge Grid to digitally document all places of significance.

To develop ecologically sustainable **Mountain trails, Turtle Trails and Bird watching trails** in select states.

India to host the first ever Global Big Cat Summit.

Develop 15 archeological sites into vibrant, experiential cultural destinations.

Development of Buddhist Circuits in North East Region.

Tourism

Tax Reforms to boost Services Sector

Clubbing of services under a single category of information technology services with a common safe harbour margin of 15.5%.

Safe harbour threshold for IT services increasing from ₹ 300 crore to ₹2,000 crore.

Approval of safe harbour for IT services by an automated rule-driven process.

Continuation of safe harbour for a period of five years at the company's choice.

Fastracking unilateral APA process for IT services with an aim to conclude it within a period of two years. Can be extended by a further period of six months on the taxpayer's request.

Extension of facility of modified returns for APA-availing entities to its associated entities.

Provision of tax holidays until 2047 to foreign companies providing cloud services to global customers through India-based data centre services. Related Entities providing data center services from India to get a safe-harbour of 15% on cost.

Exemption to global income of non-resident expert for a stay period of 5 years under notified schemes.



Financial Sector

Setting up of **High Level Committee on Banking for Viksit Bharat** to align with India's next growth phase.

Incentive of ₹100 crore for single issuance of municipal bonds of more than ₹1000 crore.
Current Scheme under AMRUT will continue.

Restructuring Power Finance Corporation (PFC) and Rural Electrification Corporation (REC).

Comprehensive Review of the Foreign Exchange Management (FEMA) (Non-debt Instruments) Rules.

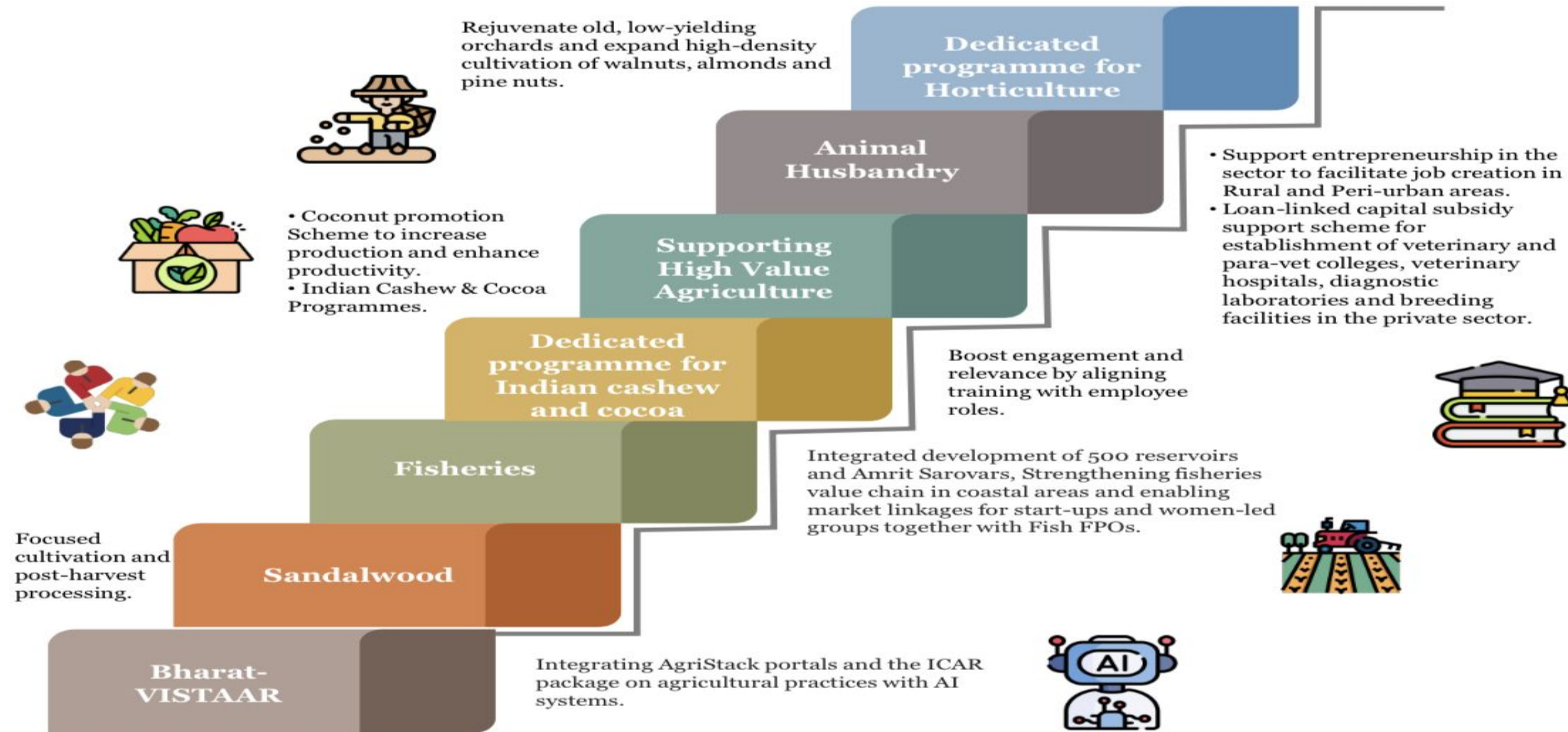
Introduction of Market making framework and total return swaps on corporate bonds.

Tax Proposals for Financial Sector

- Raising the STT on Futures from 0.02% to 0.05%.
- STT on options premium and exercise of options to be raised to 0.15% from rate of 0.1% and 0.125%, respectively.



1.3 Increasing farmer's income by enhancing productivity in agricultural and allied sectors

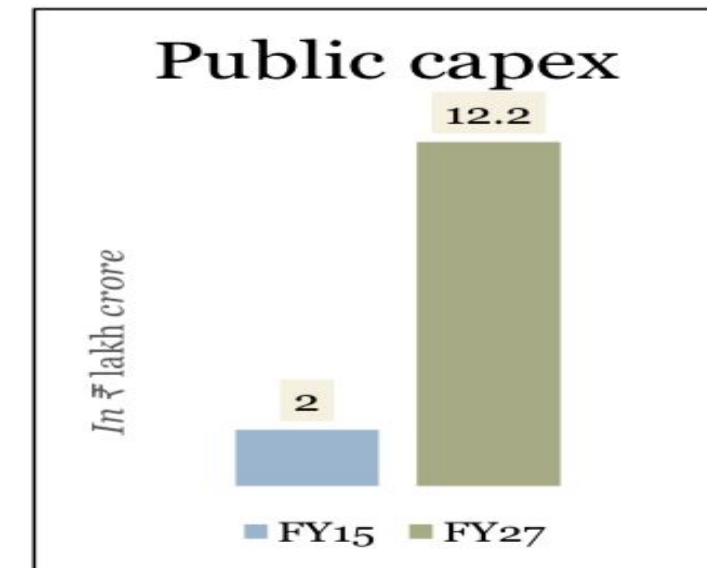
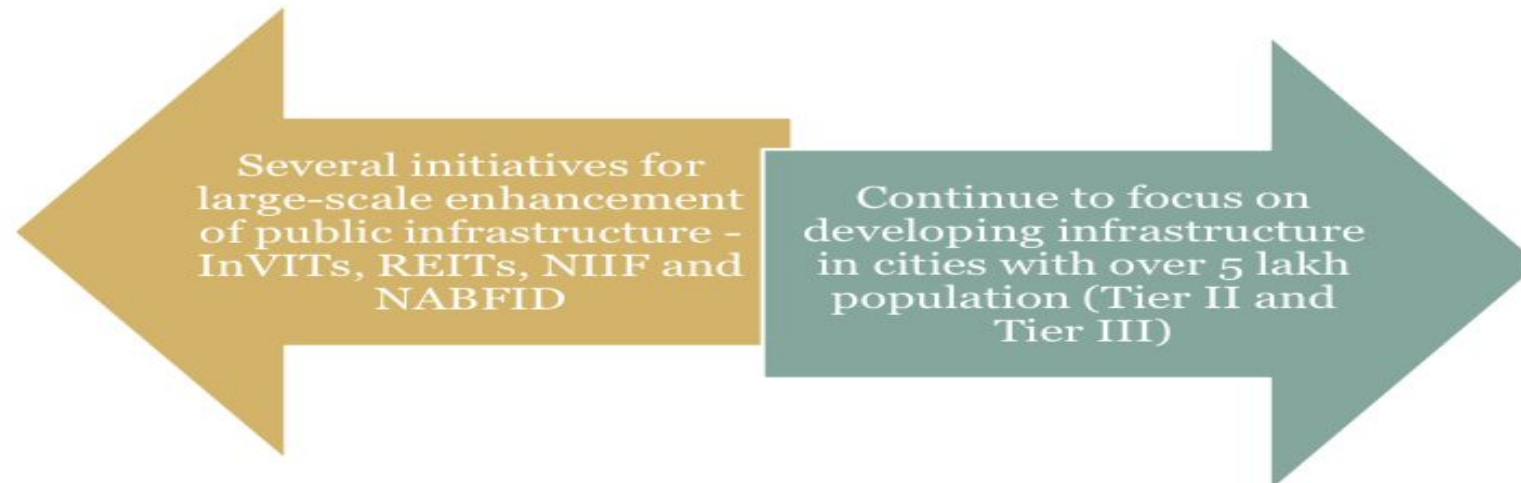


TAX PROPOSALS

- Fish catch by an Indian fishing vessel in Exclusive Economic Zone (EEZ) or on the High Seas to be made free of duty. Treating the landing of such fish on foreign port as export of goods.
- Deduction allowed to primary cooperative society engaged to include supply of cattle feed and cotton seed produced by members.
- Allowing inter-cooperative society dividend income as deduction under the new tax regime to the extent distributed to members.
- Exemption from tax dividend income received by a notified national co-operative federation from investments made in companies up to 31.1.2026 from tax for a period of three years. Exemption to be allowed only for dividends distributed to its member co-operatives.

2. Strengthening the Foundations of Growth

2.1 Infrastructure



- ❖ **Setting up Infrastructure Risk Guarantee Fund** to provide prudently calibrated partial credit guarantees to lenders.
- ❖ Recycling of **real estate assets of CPSEs through the setting up of dedicated REITs.**
- ❖ Establishment of new **Dedicated Freight Corridors** connecting Dankuni in the East, to Surat in the West.
- ❖ Operationalising **20 new National Waterways** connecting mineral rich areas, industrial centres and ports.
- ❖ Setting up of ship repair ecosystem catering to inland waterways.
- ❖ Launch a **Coastal Cargo Promotion Scheme** to increase the share of inland waterways and coastal shipping from 6% to 12% by 2047.
- ❖ Launching a **Seaplane VGF Scheme** to indigenise manufacturing.
- ❖ ₹2 lakh crore support to states under **SASCI Scheme.**
- ❖ **Purvodaya: Development of Integrated East Coast Industrial Corridor.**

2.2 Ensuring long-term energy security and stability

- ❑ Scheme to adopt Carbon Capture Utilization and Storage (CCUS) with an outlay of ₹20,000 crore.



- ❑ Exemption of BCD on import of sodium antimonate for use in manufacture of solar glass.



- ❑ Exemption of BCD on import of capital goods required for the processing of critical minerals in India.

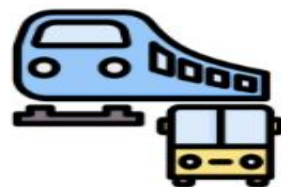


- ❑ Extending exemption of BCD to capital goods used for the manufacture of Lithium-Ion Cells for batteries to be used in battery energy storage systems.

- ❑ Extension of the existing basic customs duty exemption on imports of goods required for Nuclear Power Projects till the year 2035 and expand it for all nuclear plants irrespective of their capacity.

- ❑ Exclusion of entire value of biogas in Central Excise duty payable on biogas blended CNG.

2.3 Urbanisation: City Economic Regions



- ❖ **Amplifying the potential of cities to** deliver the economic power of agglomerations.
- ❖ Focus on Tier II, Tier III cities, and temple-towns.
- ❖ **‘Growth Connectors’ - 7 High-Speed Rail corridors** between cities - Mumbai-Pune, Pune-Hyderabad, Hyderabad-Bengaluru, Hyderabad-Chennai, Chennai-Bengaluru, Delhi-Varanasi, Varanasi-Siliguri - Environmentally sustainable passenger systems.

3. People Centric Development



Building a strong Care Ecosystem, covering geriatric and allied care services. Training of 1.5 lakh multiskilled caregivers.

Self-Help Entrepreneur (SHE) Marts to be set up as community-owned retail outlets within the cluster level federations.

Divyangjan Kaushal Yojana - providing dignified livelihood opportunities through industry-relevant and customized training specific to disability groups.

Divyang Sahara Yojana: Timely access to high-quality assistive devices for all eligible.

Supporting Artificial Limbs Manufacturing Corporation of India (ALIMCO) to scale up production of assistive devices, invest in R&D and AI integration.

Strengthen PM Divyasha Kendras as modern retail-style centres.

Setting up of a NIMHANS-2 & upgrading National Mental Health Institutes in Ranchi and Tezpur.

Establishing Emergency and Trauma Care Centres in district hospitals.

4. Trust based Governance

Enhancement of duty-deferral period for Tier 2 and Tier 3 Authorised Economic Operators (AEO) from 15 to 30 days. Eligible manufacturer-importers to get the same duty deferral facility. Government agencies will be encouraged to leverage AEO accreditation.

Transformation of Customs warehousing framework into a warehouse operator-centric system with self-declarations etc.

The filing of Bill of entry by a trusted importer, and arrival of goods to automatically notify Customs.



Extension of validity period of advance ruling, binding on Customs, from 3 years to 5 years.

Regular importers with trusted longstanding supply chains will be recognized in the risk system, so that the need for verification of their cargo every time can be minimized.



5. Ease of Doing Business and Ease of Living

- ✓ Individual Persons Resident Outside India (PROIs) will be permitted to invest in equity instruments of listed Indian companies through the Portfolio Investment Scheme (PIS).
- ✓ Interest awarded by the motor accident claim tribunal to a natural person will be exempt from Income Tax, and any TDS on this account will be done away with.
- ✓ Reduce TCS rate on sale of overseas tour program package from 5% and 20% to 2% without any stipulation of amount.
- ✓ Reduce TCS for pursuing education and for medical purposes under the Liberalized Remittance Scheme (LRS) from 5% to 2%.
- ✓ TDS on Supply of manpower services to be at the rate of either 1% or 2%.
- ✓ Obtaining a lower or nil deduction certificate through rule-based automated process for small taxpayers.
- ✓ Enable depositories to accept Form 15G or Form 15H from taxpayers holding securities in multiple companies.
- ✓ Time available for revising returns extended from 31st December to up to 31st March with the payment of a nominal fee.
- ✓ Individuals with ITR 1 and ITR 2 returns will continue to file till 31st July and non-audit business cases or trusts are proposed to be allowed time till 31st August.
- ✓ TDS on the sale of immovable property by a non-resident to be deducted and deposited through resident buyer's PAN instead of TAN.
- ✓ Introducing a one-time 6-month foreign asset disclosure scheme below a certain size for small taxpayers.
- ✓ Allow taxpayers to update their returns even after reassessment proceedings have been initiated at an additional 10 percent tax rate over and above the rate applicable for the relevant year.
- ✓ Framework for immunity from penalty and prosecution in the cases of underreporting extended to misreporting.
- ✓ Non-production of books of account and documents and requirement of TDS payment is decriminalised.
- ✓ Immunity from prosecution with retrospective effect from 1.10.2024 for non-disclosure of non-immovable foreign assets with aggregate value less than ₹ 20 lakh.
- ✓ Exemption from Minimum Alternate Tax (MAT) to all non-residents who pay tax on presumptive basis.
- ✓ Constitute a Joint Committee of Ministry of Corporate Affairs and Central Board of Direct Taxes for incorporating the requirements of Income Computation and Disclosure Standards (ICDS) in the Indian Accounting Standards (IndAS).
- ✓ Tax buyback for all types of shareholders as Capital Gains. However, promoters will pay an additional buyback tax.
- ✓ Set-off using available MAT credit to be allowed to an extent of 1/4th of the tax liability in the new regime.
- ✓ MAT is proposed to be made final tax.
- ✓ Exempt BCD on 17 drugs or medicines for cancer patients.
- ✓ Single and interconnected digital window for cargo clearance approvals.
- ✓ Customs Integrated System (CIS) to be rolled out in 2 years.
- ✓ Honest taxpayers willing to settle disputes will now be able close cases by paying an additional amount in lieu of penalty.

6. Fiscal matters

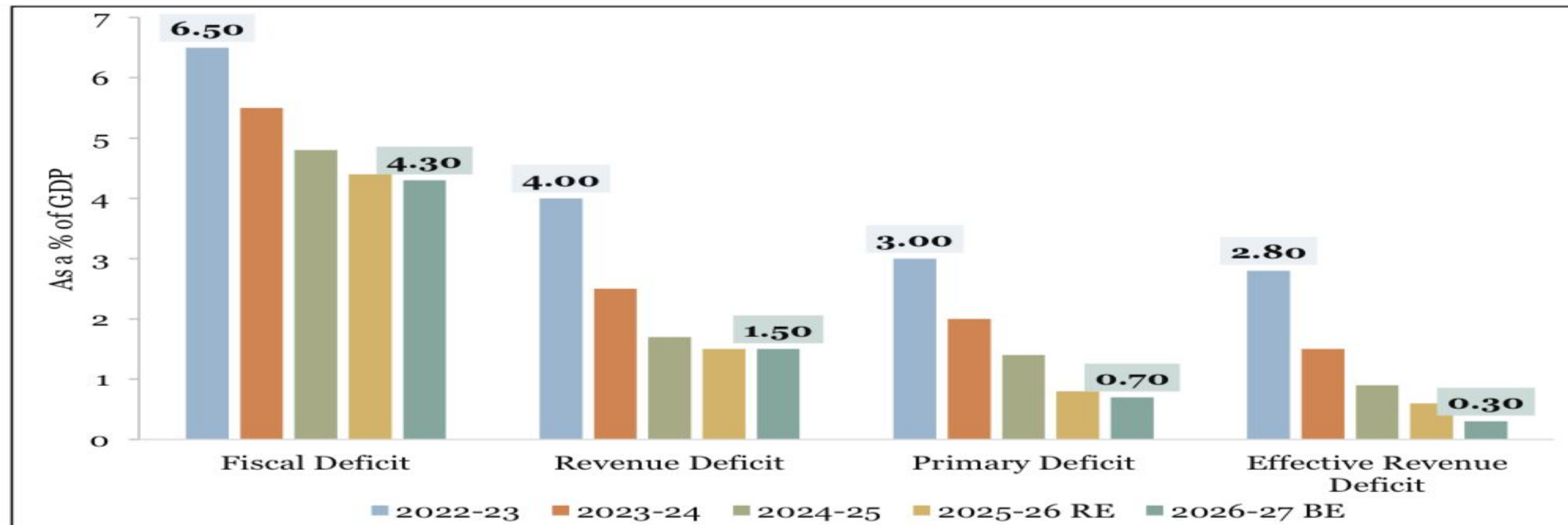
16th Finance Commission

- The Government has accepted the recommendation of the Commission to retain the vertical share of devolution at 41%.
- Provision ₹1.4 lakh crore to the States for the FY 27 as Finance Commission Grants. These include Rural and Urban Local Body and Disaster Management Grants.

Fiscal Consolidation

- Central Government will target reaching a debt-to-GDP ratio of 50±1 percent by 2030.
- The debt-to-GDP ratio is estimated to be 55.6 percent of GDP in BE 2026-27, compared to 56.1 percent of GDP in RE 2025-26.
- In RE 2025-26, the fiscal deficit has been estimated at par with BE of 2025-26 at 4.4 percent of GDP. In line with the new fiscal prudence path of debt consolidation, the fiscal deficit in BE 2026-27 is estimated to be 4.3 percent of GDP.

Deficit Trends





वित्त मंत्रालय
MINISTRY OF
FINANCE



₹ UNION
BUDGET
2026-27

Making INTERNATIONAL TRAVEL Easier for Middle-Class Passengers



Passenger Facilitation

Duty-free allowances have been revised and clarity provided to bring a new laptop along with personal effects

Convenient Declaration

An online and app-based facility for making declarations and duty payments is to be provided for international passengers

Facility while transferring residence

Duty-free entitlement revised to bring household articles while shifting residence from abroad

Expected Outcome

Passengers can have faster baggage clearance and increased entitlement for bringing in duty-free goods

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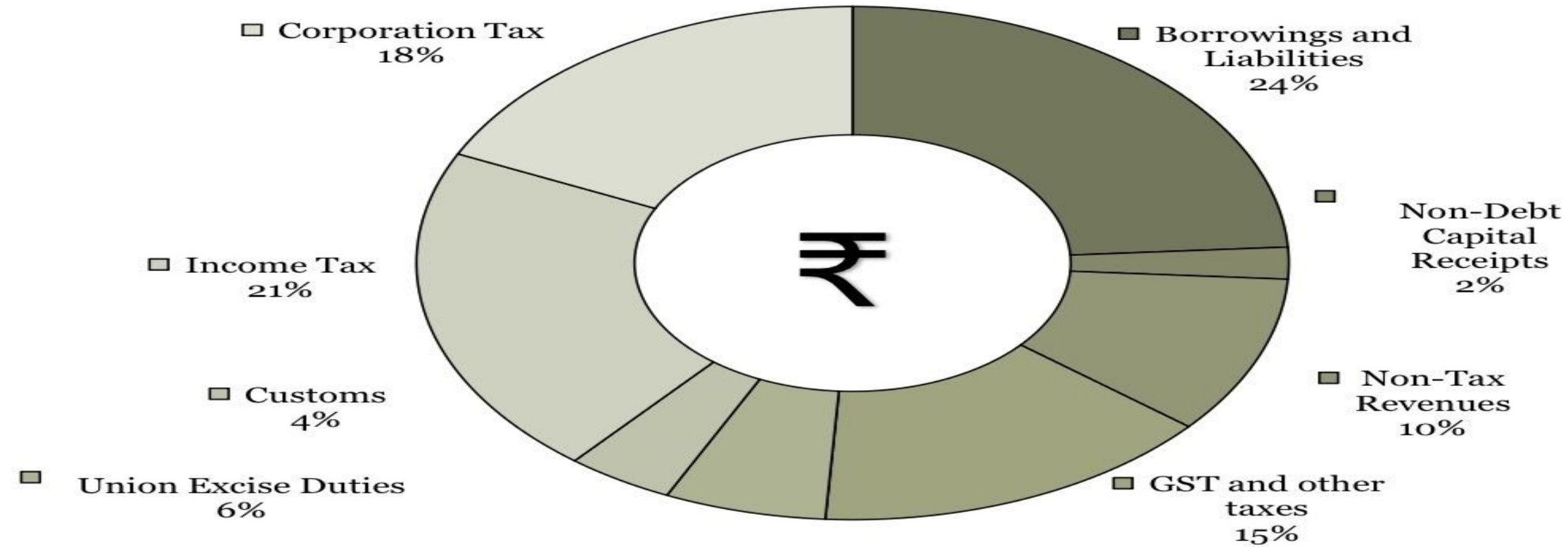
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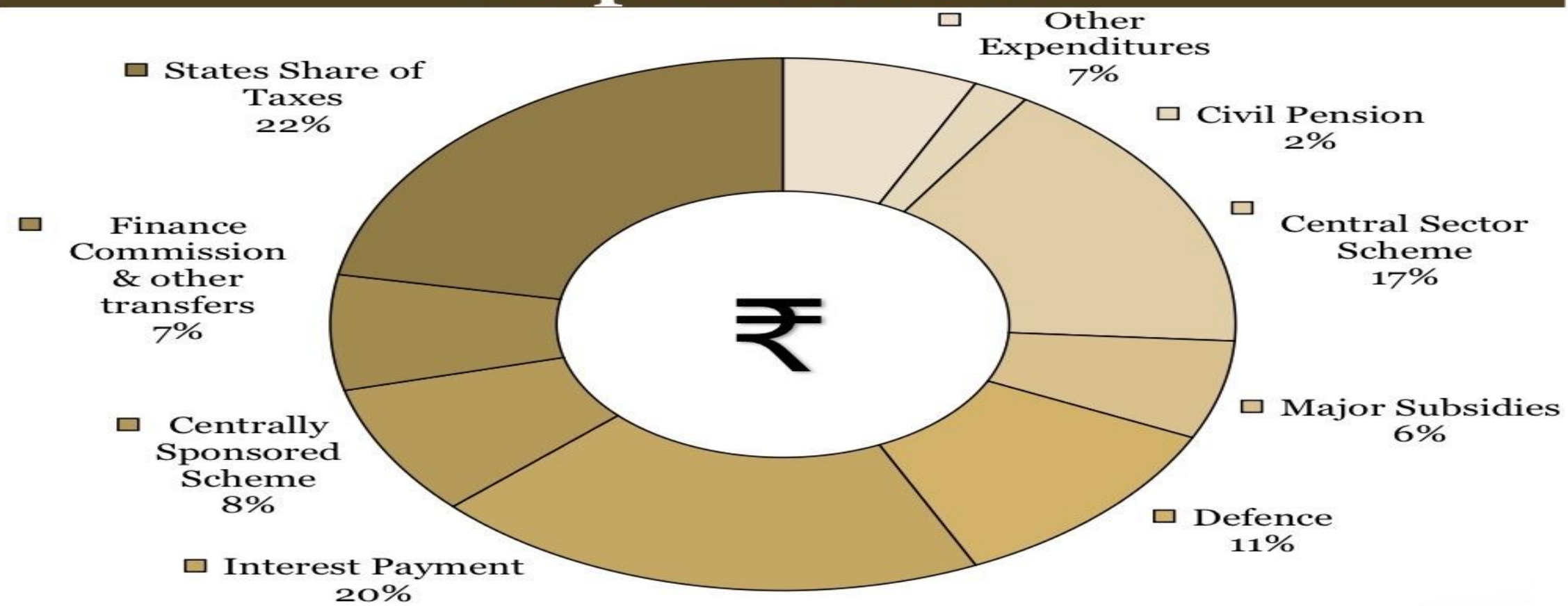
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Rupee Comes From



Rupee Goes To



Trust-Based Systems for Strengthening CUSTOMS Framework

Fisheries

Fish caught in the Exclusive Economic Zone of India and high seas by **Indian fishing vessels** is made **duty free** while bringing into India and treated as exports when landed at foreign ports

01

Deferred duty

Duty payment by trusted entities enabled for **monthly payment of duty** instead of payment at each transaction benefitting them with **improved cash flow** and operational efficiency

02

System-driven clearance

Auto goods registration and clearance to eligible entities where compliance is met thus **reducing time and cost of Import**. Similarly automating goods registration during export of e sealed cargo

03

Removal of penal implications

Voluntary payments to be treated as a **non-punitive charge** instead of a penalty to **encourage faster settlement** and reduced litigation

04

New tariff lines

Product **specific tariff entries** created for **better clarity** and classification accuracy ensuring **specific policy intervention** and reduced disputes

05

Advance Ruling

Business to have certainty during imports regarding **applicability of duty & Classification** on **specific goods** thus providing predictability for longer time frame of **five years** instead of **three years**

06

Digital governance

Unified systems for trade to have single touch point interaction with different departments through **Single Window** in phased manner. **New Customs integrated system** to replace legacy multiple systems to use **smart AI driven processes** for increased efficiency

07

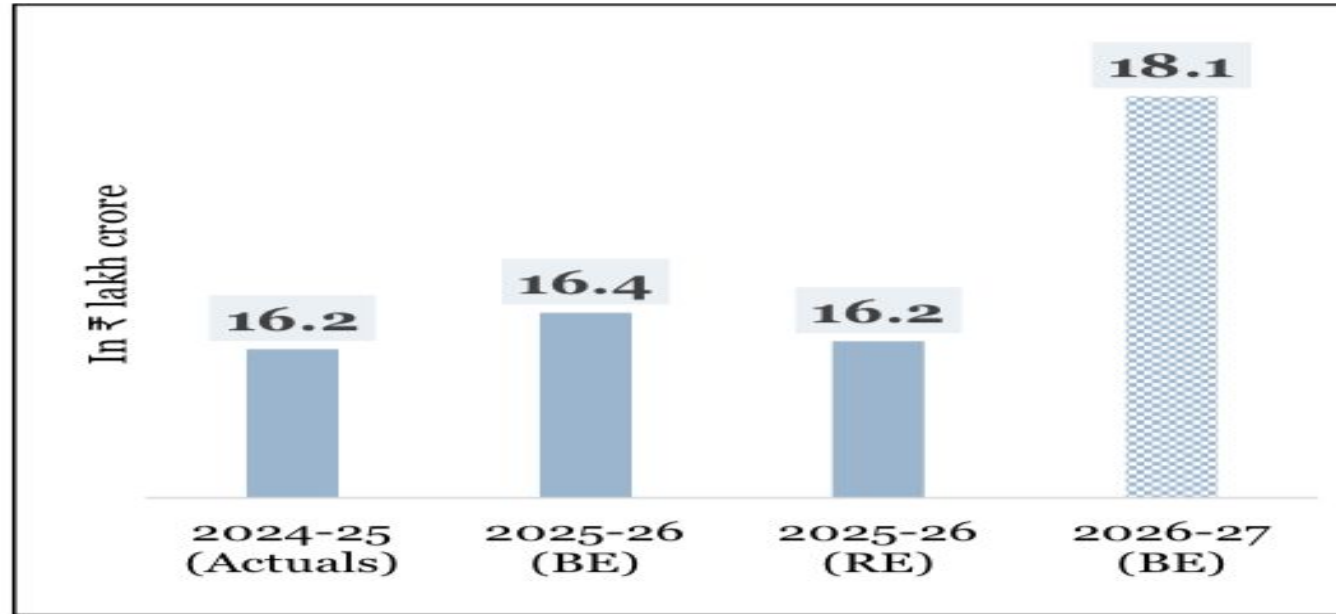
Expected Outcome

Cargo clearance becomes faster with reduced transaction costs. Simpler and more predictable procedures improve the overall business environment.

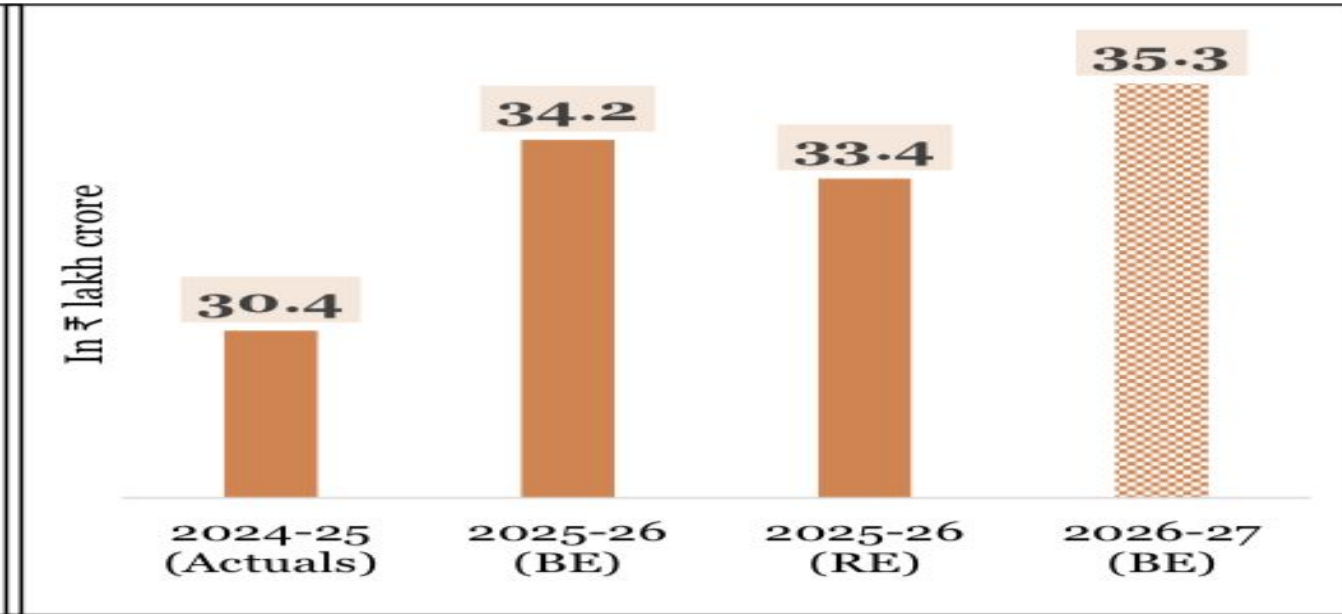


RECEIPTS

Capital Receipts

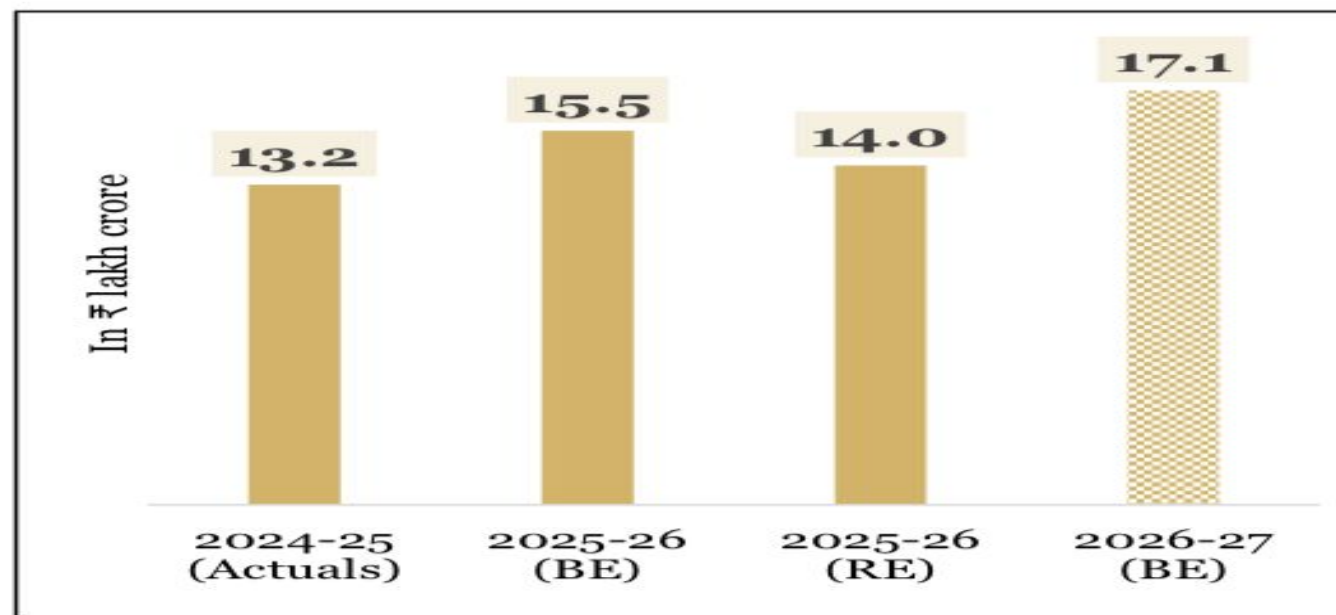


Revenue Receipts

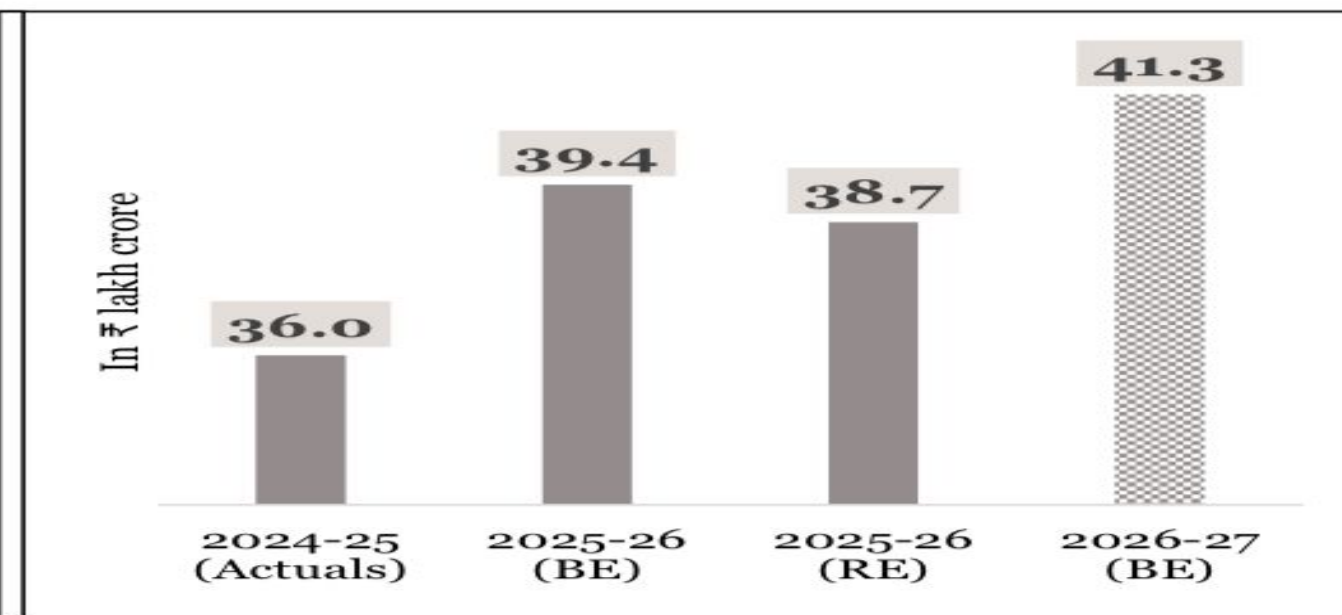


EXPENDITURES

Effective Capital Expenditure



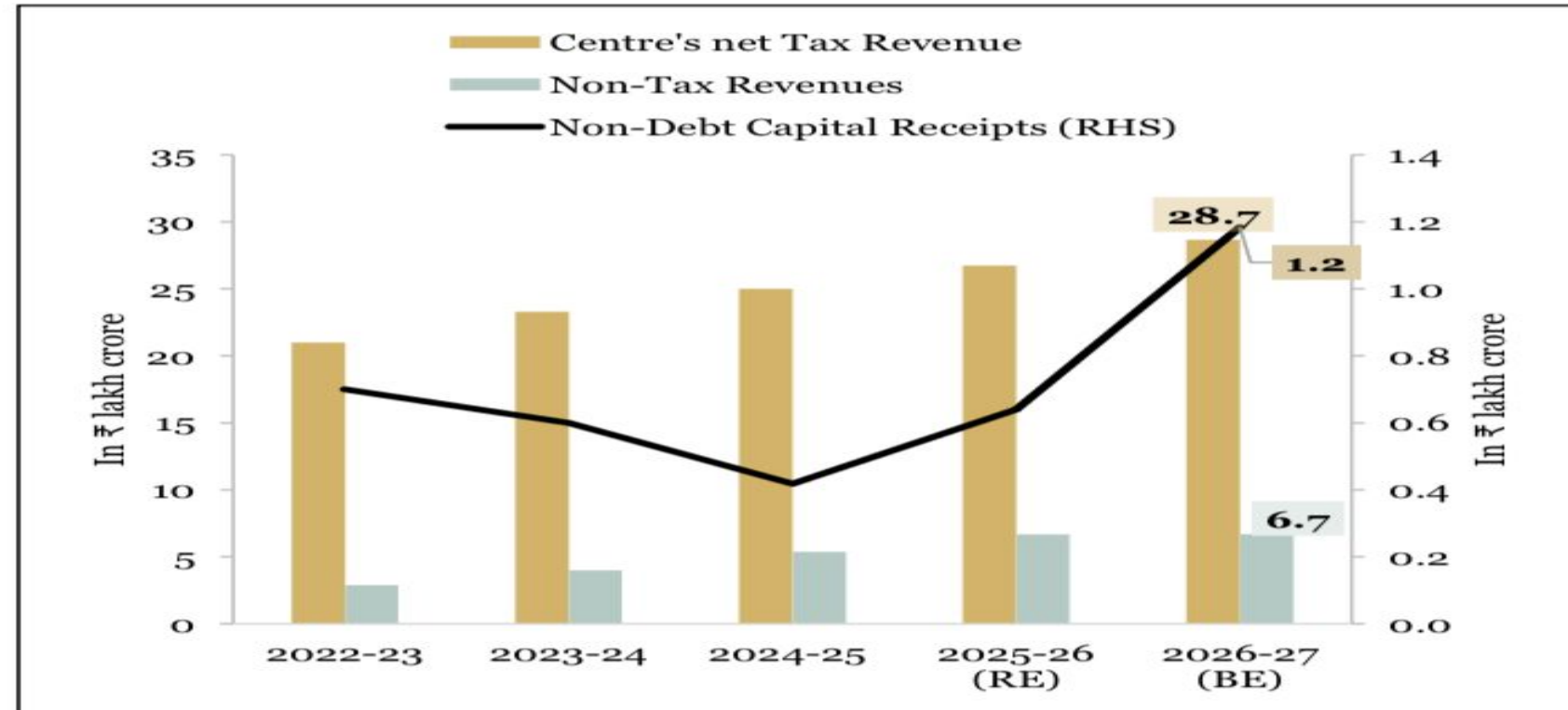
Revenue Expenditure



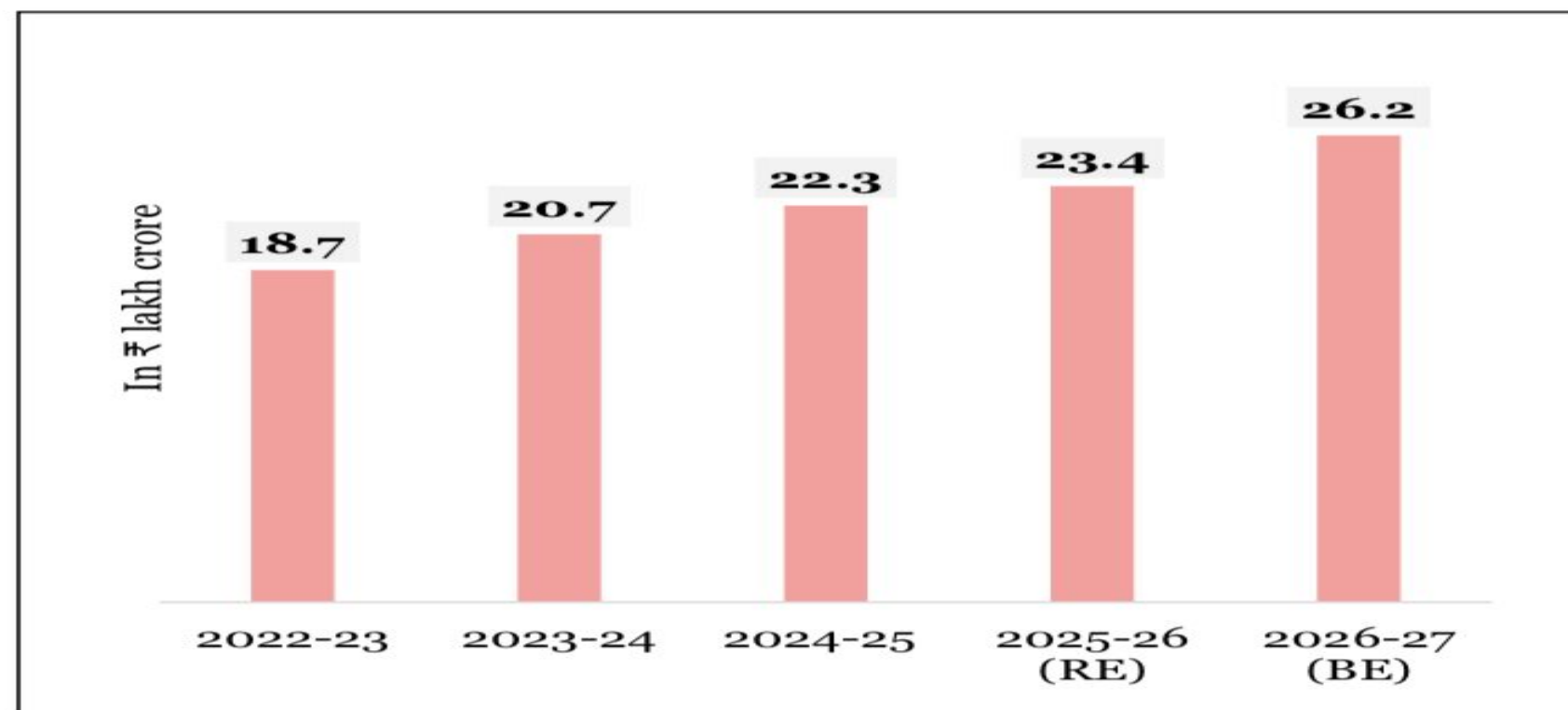


Robust Economic Foundations

Trend in Net Receipt of Centre

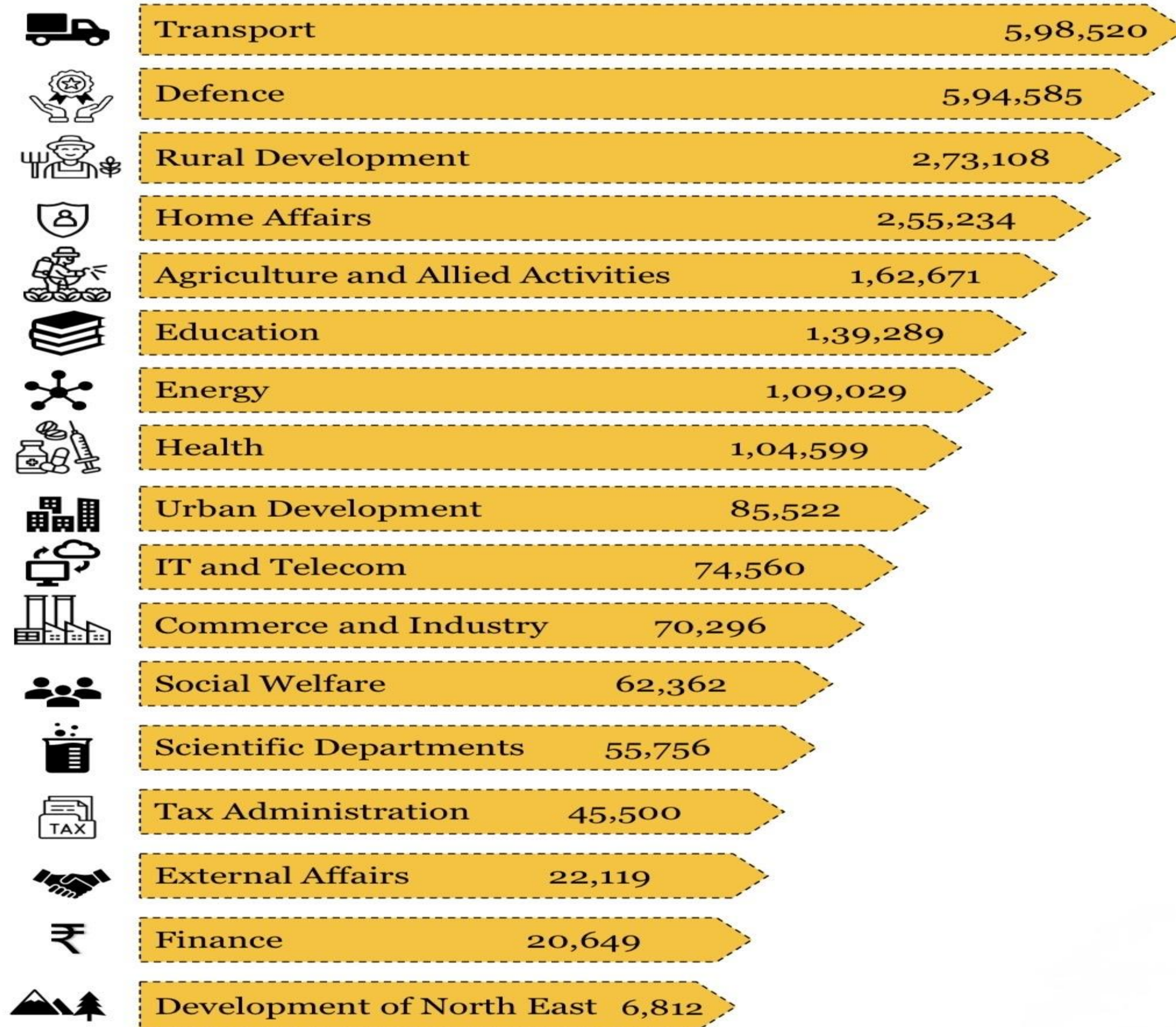


Total transfer to States and UTs



Expenditure of Major Items

In ₹ crore



BUDGET 2026



TAX HOLIDAY FOR FOREIGN CLOUD SERVICE PROVIDERS



EXEMPTION PERIOD: Tax Year 2026-27 to 2046-47



ESSENTIAL CONDITIONS FOR FOREIGN COMPANIES



NOTIFIED FOREIGN COMPANY



INDIA
DATA CENTRE SERVICES FROM INDIAN COMPANY



DATA CENTRE NOTIFIED BY MeiTY



SERVICES TO INDIAN USERS VIA INDIAN RESELLER ENTITY



CERTAINTY

NO RISK OF GLOBAL INCOME BEING TAXED IN INDIA ON THIS ACCOUNT



TAXABLE DOMESTIC ECONOMIC ACTIVITIES



Data centre services to global entity by resident data centre



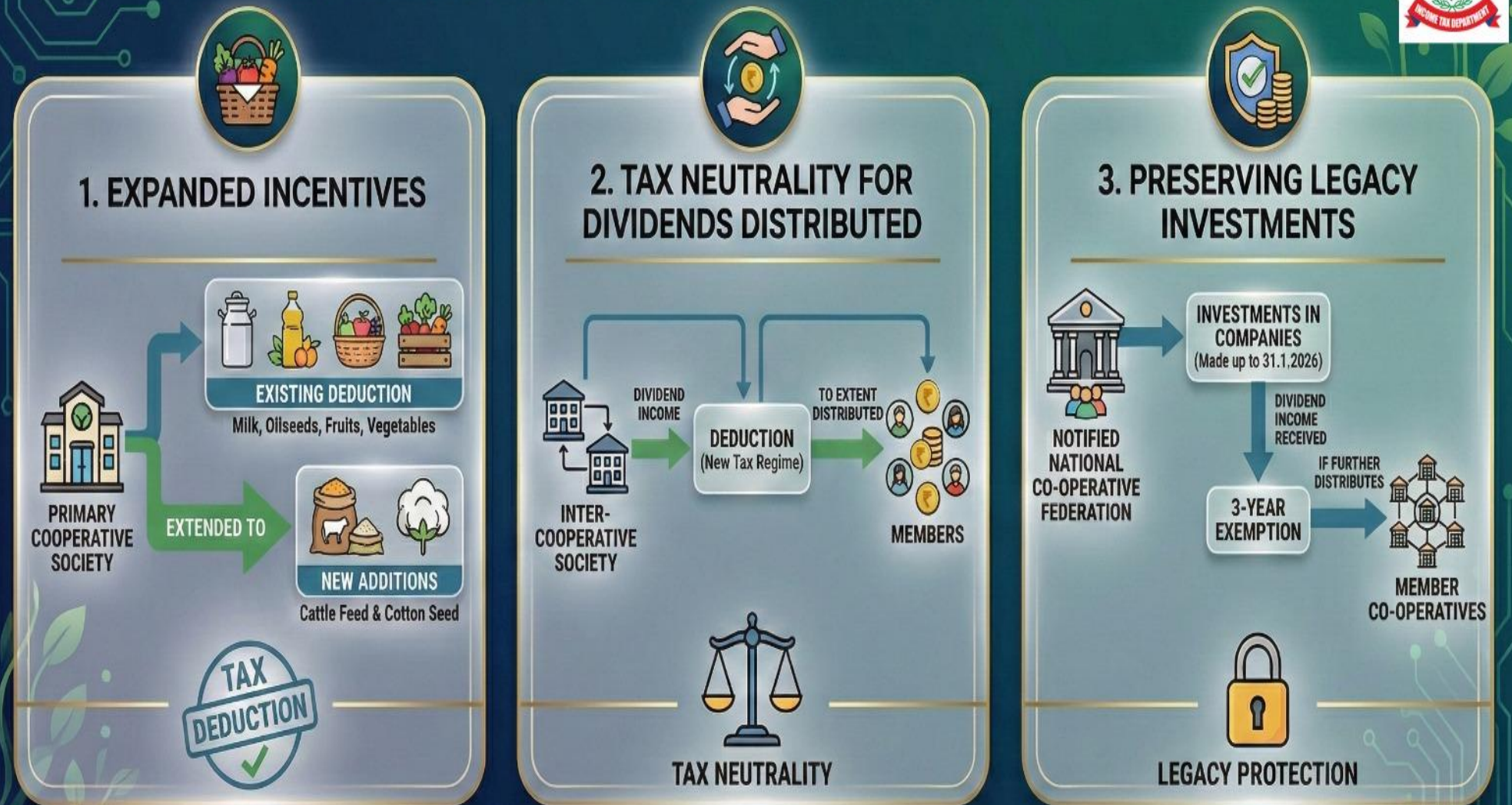
Resale of cloud services to Indian customers by resident reseller entity



RELATED ENTITY

**INDIAN RELATED ENTITY OF FOREIGN COMPANY (COST PLUS DATA CENTRES)
SAFE HARBOUR MARGIN: 15% PROVIDED**

BUDGET 2026: KEY POLICY REFORMS FOR COOPERATIVES



EXPECTED IMPACT



IMPROVED CAPITAL EFFICIENCY ACROSS COOPERATIVE NETWORKS



STRONGER BALANCE SHEETS & REINVESTMENT CAPACITY



REDUCED TAX DISTORTIONS WITHIN COOPERATIVE STRUCTURES

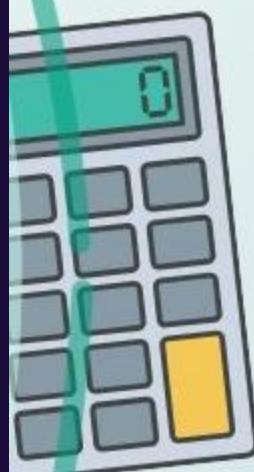


SCALABLE, PROFESSIONALLY GOVERNED COOPERATIVE ENTERPRISES



Budget 2026

RATIONALISATION OF TCS RATES



NATURE OF RECEIPT

BEFORE

AFTER

Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ten lakh rupees—

Sale of “overseas tour programme package”

5% for purposes of education or medical treatment;

(a) 5% of amount or aggregate of amounts up to ten lakh rupees;

(b) 20% of amount or aggregate of amounts exceeding ten lakh rupees.

2% for purposes of education or medical treatment;

2%

@bhihootwalagnest

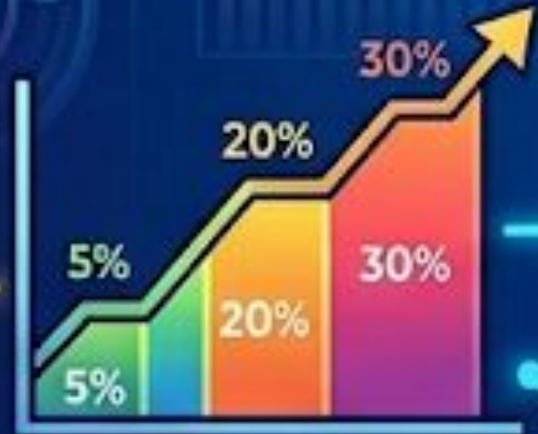


Budget 2026 - 9th Consecutive Budget

Understand Budget With AI

INCOME TAX

INCOME TAX UPDATES



E-FILING PORTAL

E-FILING PORTAL



RECENT AMENDMENTS



RECENT AMENDMENTS



EXEMPTIONS & DEDUCTIONS



CENTRAL BUREAU OF INVESTIGATION
(INFORMATION SECTION)

CBI Arrests Income Tax Stenographer for Taking Rs. 1.5 Lakh Bribe

Dated: 03.02.2026

The Central Bureau of Investigation (CBI) has arrested a Stenographer, Income Tax Department, Chennai while demanding and accepting an undue advantage of Rs.1,50,000 from the complainant.

The CBI registered the instant case on 02.02.2026 based on the complaint against the said accused on allegations that the accused demanded a bribe/ undue advantage of 10% of the outstanding Income Tax dues of Rs.19 Lakh for the Assessment Year 2020-2021 to Nullify the same.

The CBI laid a trap and caught the accused red-handed while demanding and accepting an undue advantage in the form of illegal gratification of Rs.1,50,000 from the complainant. During the trap proceedings, the bribe money of Rs.1,50,000 was seized from the accused.

Searches were conducted at the residential premises of the accused which led to recovery of incriminating documents.

The accused has been arrested and was produced before the Competent Court in Chennai on 03.02.2026 which remanded him to Judicial Custody.

Investigation of this case is in progress.



Indian Businesses (MSMEs) - Enabling small enterprise growth and resilience

Objectives

To lower compliance costs, simplify taxation, and reduce litigation exposure for MSMEs, enabling them to focus resources on growth and employment generation.

Key Policy Reforms

Simplifying TDS for Labour-Intensive Sectors

- Simplified TDS provisions for manpower supply will benefit labour-intensive MSMEs.

Reducing Penalty-Driven Disputes

- Conversion of penalties into fees for procedural defaults will reduce adversarial litigation and promote trust-based compliance.

Providing Time for Error Correction

- Extended timelines for revised and updated returns will allow MSMEs to correct errors without fear of penal consequences.



Expected Impact

- Improved cash flows and liquidity.
- Reduced litigation exposure.
- Lower compliance costs.



ITR Filing Due Date



Income Tax Return Filing
Due Dates: FY 2025-26
(Assessment Year 2026-27)



31 July 2026

Standard deadline for most individuals (non-audit cases)



31 August 2026

Extended due date (ITR-3 & ITR-4, non-audit business & professionals)



31 October 2026

Audit required



30 November 2026

Furnish transfer pricing report

[MAJOR TAX AUDIT UPDATE] CBDT to Replace Forms 3CA, 3CB & 3CD with Consolidated Form 26

Click here to download/access the form caclubindia.com/news/cbdt-to-r...

FORM NO. 26

Audit report and Statement of particulars required to be furnished under section 63 of the Income-tax Act, 2025

Category of assessee (select one)

- (i) A person who carries on business or profession and who is required by or under any other law to get his accounts audited (in such cases, fill Parts A, B, and C)
- (ii) A person who carries on business or profession, but not being the person referred to in (i) above (in such cases, fill Parts A, B, and D)

Part A: Particulars of the assessee			
1.	Name	<i>(refer Note 1)</i>	
2.	Address	<i>(refer Note 2)</i>	
3.	Permanent Account Number		
4.	Status	<i>(refer Note 3)</i>	
5.	Residential status	<i>(refer Note 4)</i>	
6.	Email id		
7.	Contact number	Country Code	Number
8.	Tax year		

Big Update in AIS 

Draft Form No. 168 proposes a new reporting format. [#IncomeTax](#)

FORM NO. 168
Annual Information Statement

Tax Year:

Row No.	Part A: Particulars of the Person		
1.	Name		
2.	Date of Birth / Incorporation		
3.	Address		
4.	PAN		
5.	Email id		
6.	Contact Number	Country Code	Number

Sl. No.	Part B: Nature of Information
1.	Information relating to tax deducted or collected at source
2.	Information relating to specified financial transaction
3.	Information relating to payment of taxes
4.	Information relating to demand and refund
5.	Information relating to pending proceedings
6.	Information relating to completed proceedings
7.	Any other information in relation to sub-rule (2) of Rule 245

Direct Tax Collections for F.Y. 2025-26 (as on 10.02.2026)

(Rs. In Crore)

	FY 2024-25 (as on 10.02.2025)					FY 2025-26 (as on 10.02.2026)					
	Corporate Tax (CT)	Non*- Corporate Tax (NCT)	Securities Transaction Tax (STT)	Other taxes (OT)	Total	Corporate Tax (CT)	Non*- Corporate Tax (NCT)	Securities Transaction Tax (STT)	Other taxes (OT)	Total	Percentage Growth
Gross Collection	1,008,222.87	1,128,071.65	49,201.40	3,058.94	2,188,554.86	1,088,533.85	1,138,897.14	50,279.17	358.44	2,278,068.60	4.09%
Refunds	231,175.24	180,594.35	0.00	57.16	411,826.75	198,780.95	135,511.62	0.00	32.06	334,324.63	-18.82%
Net Collection	777,047.63	947,477.30	49,201.40	3,001.78	1,776,728.11	889,752.90	1,003,385.52	50,279.17	326.38	1,943,743.97	9.40%

Source: TINMIS

* NCT includes taxes paid by individuals, HUFs, Firms, AoPs, BOLS, Local Authorities, Artificial Juridical Person

New PAN Rules - Draft IT Rules 2026


Big changes proposed

1. No PAN needed for motor vehicle purchases below ₹5L (Earlier it was 2L)
2. PAN mandatory for property transactions above ₹20L (Earlier it was 10L)
3. PAN required for hotel/restaurant payments exceeding ₹1L (Earlier it was 50K)
4. PAN needed for cash deposits/withdrawals of ₹10L+ annually

Big Tax Relief Alert!

From FY 2026-27 (April 1, 2026), you can deposit OR withdraw cash up to ₹10 lakh in a year WITHOUT quoting PAN!

Major changes proposed in Draft Income Tax Rules 2026 for PAN quoting. Huge ease for common taxpayers!

Details in thread 

**Field-Level Validation for all sub-categories under section 44AB
[Clauses (a) to (e)] at the time of UDIN generation under 'GST and
Tax Audit' category**

The Council, at its 442nd meeting held on 26th–27th May 2025, has decided to implement a ceiling on the maximum number of UDINs that can be generated, in accordance with the prescribed limit of 60 Tax Audits with effect from 1st April 2026. In this regard, the ceiling shall be applicable for the following sub- categories:

1. Form 3CA - 3rd proviso to section 44AB
2. Form 3CB - Section 44AB(a)
3. Form 3CB - Section 44AB(b)
4. Form 3CB (Combined) under section 44AB

Accordingly, the ceiling on UDIN generation at UDIN Portal will come into effect from the same date, in alignment with the Council decision i.e. from 1st April 2026.

However, the [Field Level Validation](#) has been implemented at UDIN portal, as the same configuration will continue to be applicable beyond 1st April 2026 across all subcategories under Section 44AB [clauses (a) to (e)] at the time of UDIN generation under 'GST and Tax Audit' category.

Members are requested to take note of the above.

For any clarification, please write to us at [udin\[at\]icai\[dot\]in](mailto:udin@icai.in)

UDIN Directorate


Big Breaking Income Tax


India–France Signed Amended DTAA

Here's what changes  

1. Capital Gains on Shares: -


Now, full taxing rights will lie with the country where the company is resident.


 This means source-based taxation on share transfers.

 Big impact for cross-border M&A & holding structures.

2. MFN Clause Deleted: -

The Most-Favoured-Nation (MFN) clause has been removed.

 This settles ongoing interpretational disputes & litigation.

 Important for pending treaty benefit claims. Expect clarity in future assessments.

3. Dividend Tax Rate Changed: -

Earlier: Flat 10%

Now:

 5% — if shareholder holds $\geq 10\%$ equity

 15% — in other cases

 This aligns India–France treaty with global

4. Fees for Technical Services (FTS): -

Definition aligned with India–US DTAA.

 May narrow or clarify scope of taxable FTS
 Important for tech, consulting & service contracts

Contract drafting will become more critical.

5. Service Permanent Establishment (PE) Introduced:

Service PE concept added.

 Foreign companies providing services in India could trigger PE exposure.

 Increased compliance & tax planning importance.

6. Exchange of Information Strengthened: -

 Updated EOI provisions

 New Article on Assistance in Collection of Taxes

 Incorporates BEPS MLI standards

Cross-border tax transparency gets stronger.

7. When will it apply?: -

 The protocol will enter into force after both countries complete internal procedures.

 Implementation timeline awaited.

8. Why this matters?: -

• Reduces ambiguity

• Aligns treaty with OECD/BEPS standards

• Boosts tax certainty

• Impacts litigation strategy in cross-border cases

For international tax practitioners, this is a significant development.

How the old and new regimes compare after the new IT Rules

Jessie, 35, is assumed to live in Hyderabad, working for a private company. She has a minor son.

(in ₹)

	Old regime under old IT Rules	Old regime under new IT Rules	New regime under new IT Rules
Basic salary + DA	18,00,000	18,00,000	18,00,000
Less: Standard deduction	-50,000	-50,000	-75,000
House rent allowance (HRA)	10,00,000	10,00,000	10,00,000
Less: Exemption (40%/ 50% of basic + DA)	-7,20,000	-9,00,000	NA
Child education allowance	1,50,000	1,50,000	1,50,000
Less: Exemption (up to ₹100/ ₹3,000 per month)	-1,200	-36,000	NA
Child hostel allowance	50,000	50,000	50,000
Less: Exemption (up to ₹300/ ₹9,000 per month)	-3,600	-50,000	NA
Perquisite value of using employer's car*	32,400	96,000	96,000
Cash gift from the company on the occasion of her birthday	12,000	12,000	12,000
Less: Exemption (taxable value is nil if gift is under ₹5,000/ ₹15,000)**	NA	-12,000	-12,000
Other allowances	5,00,000	5,00,000	5,00,000
Gross total income	27,69,600	25,60,000	35,21,000
Less: Investment in PPF (section 80C/ 123)	-1,50,000	-1,50,000	NA
Less: Investment in NPS (section 80CCD/ 124)	-50,000	-50,000	NA
Less: Medical insurance premium (section 80D/ 126)	-25,000	-25,000	NA
Total income	25,44,600	23,35,000	35,21,000
Tax liability before cess	5,75,880	5,13,000	6,36,300

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes**

New Delhi, 23 February, 2026

Press Release

Governments of India and France sign the Amending Protocol to amend the India-France Double Taxation Avoidance Convention

During the recent visit of the President of France to India, the Government of the Republic of India and the Government of the French Republic have signed a Protocol amending the India-France Double Taxation Avoidance Convention, signed on 29 September 1992 ('India-France DTAC'). The Amending Protocol was signed by Mr. Ravi Agrawal, Chairperson, Central Board of Direct Taxes, Government of India, and Mr. Thierry Mathou, Ambassador of France to India, on behalf of their respective Governments.

2. The Amending Protocol provides full taxing rights in respect of capital gains arising from sale of shares of a company, to the jurisdiction where such company is a resident. The Amending Protocol also deletes the so-called Most-Favoured-Nation (MFN) Clause from the Protocol to the DTAC, thereby bringing to rest all issues relating to it. The Amending Protocol also modifies the taxation of income from dividends by replacing a single rate of 10% of tax with a split rate of 5% for those holding at least ten percent of capital and 15% of tax for all other cases. It also modifies the definition of 'Fees for Technical Services' by aligning it with the definition in India US Double Taxation Avoidance Agreement, and expands the scope of 'Permanent Establishment' by adding Service PE.

3. The Amending Protocol also updates the provisions on Exchange of Information and introduces a new Article on Assistance in Collection of Taxes, as per international standards. This would enable and facilitate seamless exchange of information and strengthen mutual tax cooperation between India and France. The Amending Protocol also incorporates within the DTAC, the applicable provisions of BEPS Multilateral Instrument (MLI), that had already become applicable consequent to the signing and ratification of MLI by India and France.

4. The changes introduced through the Amending Protocol shall enter into effect subsequent to the completion of internal procedures under the laws of both the countries and subject to the terms agreed between the two countries.

5. The Amending Protocol updates the India-France DTAC to the latest international standards, in a manner that balances the interests of both India and France, and updates it in accordance with international standards. The Amending Protocol will provide greater tax certainty to the taxpayers and boost flow of investment, technology and personnel between India and France, and thereby strengthen the economic relationship between the two countries.

(V.Rajitha)

Commissioner of Income Tax
(Media & Technical Policy) &
Official Spokesperson, CBDT

TDS Payment vs TDS Return Filing —

— Practical Accountant Workflow

TDS PAYMENT (Income Tax Portal)

- ① TDS deduction at the time of payment or expense booking.
- ② Identify correct TDS section:
 - 194C — Contractor
 - 194H — Commission
 - 194J — Professional Fees
 - 194I — Rent
- ③ Deposit TDS from income tax site using TAN and password.
- ④ Important fields to verify before payment:
 - TAN
 - Section
 - Assessment year
 - Minor head (200 — TDS payable by taxpayer)

Example (educational example only)

- Contractor Payment (194C) → ₹ 50
- Commission Payment (194H) → ₹ 1,200
- Professional Fee (194J) → ₹ 500 TDS
- Rent Payment (194I) → ₹ 9,500 TDS

Total TDS deposited in one challan

Multiple TDS sections can be paid in one challan but try to pay corporate and non-corporate deductees separate.

TDS RETURN FILING (RPU - Form 26Q)

- ① Allocate challan amount section-wise inside TDS return.
- ② Use correct RPU section codes:
 - 194C → 94C
 - 194H → 94H
 - 194J → 4JA
 - 194I → 4IB
- ③ Map deductees to challan entries.
- ④ Validate file using FVU utility before submission.

Challan Example

94C	→ ₹ 50
94H	→ ₹ 1,200
4JA	→ ₹ 500
4IB	→ ₹ 9,500
Total	⇒ ₹ 11,250

❗ Incorrect section mapping causes FVU validation errors.

TDS Return Verification Checklist

- ✓ Deductee section verified
- ✓ Challan amount matches TDS deducted
- ✓ Section codes correctly mapped in RPU
- ✓ Interest properly allocated
- ✓ File validated through FVU

TDS filing is a reconciliation process, not random data entry.
One mistake can create validation errors or tax demand.

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 09 March, 2026

Press Release

**Income tax Department carries out nation-wide verification exercise on
Restaurants suppressing turnover**

Income tax Department carried out investigation relating to tax evasion pattern in Food & Beverage sector in November 2025. During the exercise, it was found that several restaurants were engaged in deletion of bulk bills and other modifications to suppress the actual sales.

Advanced analytics of transactional data from about 1.77 lakh restaurants in the F&B sector was carried out using AI-enabled analytical tools. The data was compared with the turnover declared in their Income Tax Returns. The analysis revealed large-scale under-reporting of income. In some cases, recorded sales were not fully reflected in financial accounts or tax filings, and certain transactions were excluded from reported sales.

Consequently, on 8 March 2026, a nationwide survey was conducted on 62 restaurants across 46 cities in 22 States. On a preliminary basis, the exercise revealed suppression of sales amounting to around Rs. 408 Crores. Investigations in this regard are underway.

The Department continues to emphasise voluntary compliance and a trust-based approach. It has commenced the SAKSHAM NUDGE campaign to guide and advise taxpayers to correct their mistakes. Taxpayers are encouraged to file updated returns under Section 139(8A) of the Income Tax Act. In the first phase, emails and messages will be sent to the identified 63,000 restaurants, requesting them to update their returns before 31 March 2026.

(V. Rajitha)
Commissioner of Income Tax
(Media & Technical Policy) &
Official Spokesperson, CBDT

TDS Section Mapping (Income-tax Act, 1961 vs Income-tax Act, 2025) – Ready Reference

A. Payments to Residents – Mapping

Nature / Common name	1961 Act	2025 Act	Section Code	Rates
Salary -Payment to Government employees other than Union Government employees -Payment to employees other than Government employees -Payment to Indian Government employees	192	392	1001 1002 1003	As per Slab As per Slab As per Slab
PF withdrawal (recognized PF) / accumulated balance	192A	392(7)	1004	10%
Insurance commission	194D	393(1) – Sl. 1(i)	1005	5%
Commission / brokerage (other than insurance)	194H	393(1) – Sl. 1(ii)	1006	2%
Rent (individual/HUF) – 50,000 per month or more	194IB	393(1) – Sl. 2(i)	*	2%
Rent (general) – land/building/plant/machinery/furniture etc.	194I	393(1)- Sl. 2(ii)D(a) 393(1)- Sl.2(ii).D(b)	1008 1009	2% 10%
Immovable property transfer (purchase/JDA/compulsory acquisition)	194IA / 194IC / 194LA	393(1) – Sl. 3(i)/(ii)/(iii)	*/1011/1012	1% 10% 10%
Capital market distributions (MF units/Business trust/Inv. fund/Securitization trust)	194K 194LBA 194LBB 194LBC	393(1) Sl. 4(i) 393(1) Sl. 4(ii) 393(1) Sl. 4(iii) 393(1) Sl. 4(iv)	1013 1014/1015/1016 1017 1018	10% 10% 10% 25%
Interest on securities	193	393(1) – Sl. 5(i)	1019	10%
Interest other than securities - deductee/payee is a senior citizen (Payer Banks/Post Office) - deductee/payee other than a senior citizen (Payer Banks/Post Office) - income being interest other than interest on securities (Payer Others)	194A	393(1) –Sl. 5(ii) / 5(iii)	1020 1021 1022	10% 10% 10%
Contract Payment – if contractor is individual or Hindu undivided family Contract Payment – if contractor is others	194C	393(1) – Sl. 6(i)	1023 1024	1% 1%
Payments by Individuals/HUF (non-audit)–contractor/professional/commission etc.	194M	393(1) – Sl. 6(ii)	*	2%
Professional/technical fees, director fees, royalty, non-compete etc.	194J	393(1) – Sl. 6(iii)	1026	2%
Fees for professional services/Director Fees of commission	194J	393(1) Sl.6 (iii).D(b)	1027/1028	10%
Dividend	194	393(1) – Sl. 7	1029	10%
Life insurance proceeds (taxable portion)	194DA	393(1) – Sl. 8(i)	1030	5%
Purchase of goods (buyer TDS)	194Q	393(1) – Sl. 8(ii)	1031	0.1%
Specified senior citizen (bank deducts & files return)	194P	393(1) – Sl. 8(iii)	1032	As per Slab
Business Profession Perquisite Benefit – Cash/Convertible Form Business Profession Perquisite Benefit – Cash, Kind or Mixed Form	194R	393(1) – Sl. 8(iv)	1033 1034	10% 10%
E-commerce operator	194O	393(1) – Sl. 8(v)	1035	1%
Transfer of a virtual digital asset by Individual/HUF (Non – Auditee) Transfer of a virtual digital asset other than Individual or Hindu Undivided Family. Transfer of a virtual digital asset other – Cash, Kind or Mixed Form	194S	393(1) – Sl. 8(vi)	* 1037 1038	1% 1% 1%

* Blank section codes in the above table relate to cases where the deductor is an Individual or HUF (non-audit), i.e., personal payments on a PAN-to-PAN basis – not covered under the regular audit-case TDS framework. Additionally, payment codes for certain sections appear to have been inadvertently omitted in Draft Forms 138, 140, 141). Based on the sequential pattern of the draft, the assumed codes for these omissions are: **1007** (194IB – Rent by

B. Payments to Non-residents – Mapping

Nature / Common name	1961 Act	2025 Act	Section Code	Rates
PF withdrawal (recognized PF) / accumulated balance	192A	392(7)	1004	10%
Payment to non-resident sportsman / sports association	194E	393(2) - Sl. 1	1039	20%
Concessional interest on foreign currency borrowing / LT infra bonds	194LC	393(2) - Sl. 2	1040	5%
Interest on rupee denominated bonds	194LD	393(2) - Sl. 3	1041	5%
Interest on listed bonds / RDB in IFSC (issued 01-04-2020 to 30-06-2023)	194LC (IFSC)	393(2) - Sl. 4.E(a)	1042	4%
Interest on listed bonds / RDB in IFSC (issued on or after 01-07-223)	194LC (IFSC)	393(2) - Sl. 4.E(b)	1043	9%
Interest paid by infrastructure debt fund	194LB	393(2) - Sl. 5	1044	5%
Business trust distribution - interest	194LBA(a)	393(2) - Sl. 6.E(a)	1045	5%
Business trust distribution - dividend	194LBA(b)	393(2) - Sl. 6.E(b)	1046	10%
Business trust distribution - rent	194LBA(c)	393(2) - Sl. 7	1047	Rates in force
Investment fund income to non-resident unit holder	194LBB	393(2) - Sl. 8	1048	Rates in force
Securitization trust income to non-resident investor	194LBC	393(2) - Sl. 9	1049	Rates in force
MF units / specified company (non-resident)	196A	393(2) - Sl. 10	1050	20%
Offshore fund units - income	196B	393(2) - Sl. 11	1051	10%
Offshore fund units - LTCG	196B	393(2) - Sl. 12	1052	12.5%
Bonds / GDR - interest or dividend	196C	393(2) - Sl. 13	1053	10%
Bonds / GDR - LTCG	196C	393(2) - Sl. 14	1054	12.5%
FII income in respect of securities	196D	393(2) - Sl. 15	1055	20%
Specified fund income in respect of securities	196DA	393(2) - Sl. 16	1056	10%
Any other sum chargeable (non-resident) - general	195	393(2) - Sl. 17	1057	Rates in force

C. Payments to Any Person – Mapping (winnings, cash withdrawal, partner payments)

Nature / Common name	1961 Act	2025 Act	Section Code	Rates
Winnings (lottery/crossword/card games/betting etc.) Winnings from Lottery, Crossword, Card Games, Gambling or Betting — Paid in Kind or Cash Insufficient for Tax	194B	393(3) – Sl. 1	1058 1059	30%
Winnings from online games Any income by way of winnings from online game - Any income by way of winnings from online game.	194BA	393(3) – Sl. 2	1060 1061	30%
Winnings from horse race	194BB	393(3) – Sl. 3	1062	30%
Commission on lottery tickets	194G	393(3) – Sl. 4	1063	5%
Cash withdrawal (Deductee being a co-operative society Cash Withdrawal (Deductee other than a co-operative society)	194N	393(3) – Sl. 5	1064 1065	2%
NSS / 80CCA payment	194EE	393(3) – Sl. 6	1066	10%
Payments to partners (salary/remuneration/interest etc.)	194T	393(3) – Sl. 7	1067	10%

C. TCS Section Code Reference Table

Nature of Receipt / Payment	1961 ACT	2025 ACT	Section Code	Rate
Sale of alcoholic liquor for human consumption	206C(1)	394(1) Sl. No. 1	1068	2% (Budget 2026 update, earlier 1%)
Sale of tendu leaves	206C(1)	394(1) Sl. No. 2	1069	2% (Budget 2026 update, earlier 5%)
Sale of timber obtained under a forest lease	206C(1)	394(1) Sl. No. 3	1070	2%
Sale of timber obtained by any mode other than a forest lease	206C(1)	394(1) Sl. No. 3	1071	2%
Sale of any other forest produce (not being timber or tendu leaves) under a forest lease	206C(1)	394(1) Sl. No. 3	1072	2%
Sale of scrap	206C(1)	394(1) Sl. No. 4	1073	2% (Budget 2026 update, earlier 1%)
Sale of minerals — coal, lignite or iron ore	206C(1)	394(1) Sl. No. 5	1074	2% (Budget 2026 update, earlier 1%)
Sale of motor vehicle — consideration exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(a)	1075	1%
Sale of wrist watch — consideration exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1076	1%
Sale of art piece (antiques, painting, sculpture) — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1077	1%
Sale of collectibles (coin, stamp) — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1078	1%
Sale of yacht, rowing boat, canoe, helicopter — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1079	1%
Sale of pair of sunglasses — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1080	1%
Sale of bag (handbag, purse) — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1081	1%
Sale of pair of shoes — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1082	1%
Sale of sportswear and equipment (golf kit, ski-wear) — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1083	1%
Sale of home theatre system — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1084	1%
Sale of horse for horse racing in race clubs / for polo — exceeds 10 lakh limit	206C(1F)	394(1) Sl. 6.D(b)	1085	1%
Remittance under LRS — for education or medical treatment (exceeds 10 lakh limit)	206C(1G)	394(1) Sl. 7.D(a)	1086	2% (Budget 2026 update, earlier 5%)
Remittance under LRS — for purposes other than education or medical (exceeds 10 lakh limit)	206C(1G)	394(1) Sl. 7.D(b)	1087	20%
Sale of overseas tour programme package — up to 10 Lakh	206C(1G)	394(1) Sl. 8.D(a)	1088	2% (Budget 2026 update, earlier 5%)
Sale of overseas tour programme package — above 10 Lakh	206C(1G)	394(1) Sl. 8.D(b)	1089	2% (Budget 2026 update, earlier 20%)
Use of parking lot for business (excl. mining/quarrying of mineral oil)	206C(1C)	394(1) Sl. No. 9	1090	2%
Use of toll plaza for business (excl. mining/quarrying of mineral oil)	206C(1C)	394(1) Sl. No. 9	1091	2%
Use of mine or quarry for business (excl. mining/quarrying of mineral oil)	206C(1C)	394(1) Sl. No. 9	1092	2%

Disclaimer-This note is based on the Income Tax Act, 2025 and draft rules/forms available as of the date of preparation. The new section codes and table references are as per draft rules and are subject to change upon formal notification. No change in TDS rates or threshold limits has been proposed as part of this structural reorganization.

System and process changes should be finalized only after the final rules and forms are officially notified by the CBDT.

Advance Tax e-Campaign

Clarification Regarding 'Significant Transactions' Communication

It has been reported that certain taxpayers have received emails containing inaccurate details regarding 'significant transactions' undertaken by them as part of the ongoing Advance Tax e-Campaign for AY 2026–27 (Financial Year 2025–26). The Department thanks taxpayers for bringing this error to our attention and regrets the inconvenience caused.

We are actively working to resolve this matter in coordination with our service provider. In the meantime, taxpayers are requested to kindly ignore the earlier email communication related to the Advance Tax e-Campaign for AY 2026–27 (Financial Year 2025–26).

The Department would like to clarify that these communications are intended purely as facilitative reminders to enable taxpayers to review relevant financial information available on the Compliance Portal and, where applicable, ensure appropriate advance tax compliance.

Taxpayers are advised to verify their transaction details through the e-Campaign tab on the Compliance Portal, accessible via the e-Filing portal.

Your understanding and cooperation are appreciated.



GST

GST UPDATES



RECENT TAX CHANGES




NEW FILING RULES



3. DEADLINES & COMPLIANCE



INPUT TAX CREDIT



E-WAY BILL



TAX

Advisory on Interest Collection and Related Enhancements in GSTR-3B

It is hereby informed that from **January-2026 period** onwards, the following enhancement have been made in filing of GSTR-3B:

Update in Interest Computation for GSTR-3B

From **January-2026 tax period** onwards, the interest calculation in table 5.1 of GSTR-3B on portal has been enhanced, providing the benefit of the minimum cash balance available in the Electronic Cash Ledger of the taxpayer from the due date of return filing until the date of tax payment (offset) in line with the proviso to Rule 88B(1) of the CGST Rules, 2017. The said change shall be applicable on the delayed returns filed for January 26' tax period for which interest shall be auto-populated in February 26' tax period's GSTR-3B. The revised interest computation formula is mentioned below for better understanding of the taxpayers.

Revised Interest Computation Formula

$$\text{Interest} = (\text{Net Tax Liability} - \text{Minimum Cash Balance in ECL from due date to date of debit}) \\ \times (\text{No. of days delayed} / 365) \times \text{Applicable Interest Rate}$$

1. System-Computed Interest in Table 5.1:

The interest auto-populated on the basis of the revised computational formula mentioned above, in table 5.1 of GSTR-3B shall be non-editable and taxpayers would not be allowed to amend the auto-populated values downward. It may be noted that the interest auto-populated in GSTR-3B is only the minimum interest that is required to be paid by the taxpayer. However, the taxpayers needed to self-assess their correct interest liability, and amend the auto populated values upward, if required.

2. Auto-Population of Tax Liability Breakup Table in GSTR-3B

The 'tax liability breakup table' in GSTR-3B capture the supplies of previous tax periods, reported in current period. The tax is being paid for such supplies in current tax period. Hence, for the filing of GSTR-3B from January-2026 tax period onwards, the GST Portal shall auto-populate the "Tax Liability Breakup Table" in GSTR-3B on the basis of date of documents related to supplies reported in GSTR-1 / GSTR-1A / IFF pertaining to any previous tax period. Where the corresponding tax liability has been discharged in the current period's GSTR-3B.

This enhancement is intended to assist taxpayers in accurate reporting of tax liability and align the computation of interest as per proviso of Section 50 of CGST Act, 2017.

Key Features

- Auto-populated values are **suggestive** in nature.
- Taxpayers may **modify upwards** these values based on their own records and computations, if required.

The auto-populated breakup can be viewed at:

Login → GSTR-3B Dashboard → Table 6.1 (Payment of Tax) → Tax Liability Breakup

3. Update in Table 6.1 – Suggestive Cross-Utilization of ITC

From January-2026 period onwards, once the available IGST ITC has been fully exhausted, the GST Portal will allow to pay IGST liability in Table 6.1 of GSTR-3B using available CGST and SGST ITC in any sequence,

4. Collection of Interest in GSTR-10 for Delayed Filing of Last Applicable GSTR-3B

In case of cancelled taxpayers, if the last applicable GSTR-3B return has been filed after the due date, then the interest applicable on such delayed filing shall be levied and collected through the Final Return i.e., GSTR-10.

Disclaimer – This advisory has been prepared solely for educational purposes. It is not a legal advice hence, taxpayer must rely on statutory provisions for compliance requirements. For any official or legal purpose, please refer to the applicable GST laws, rules, and notifications.

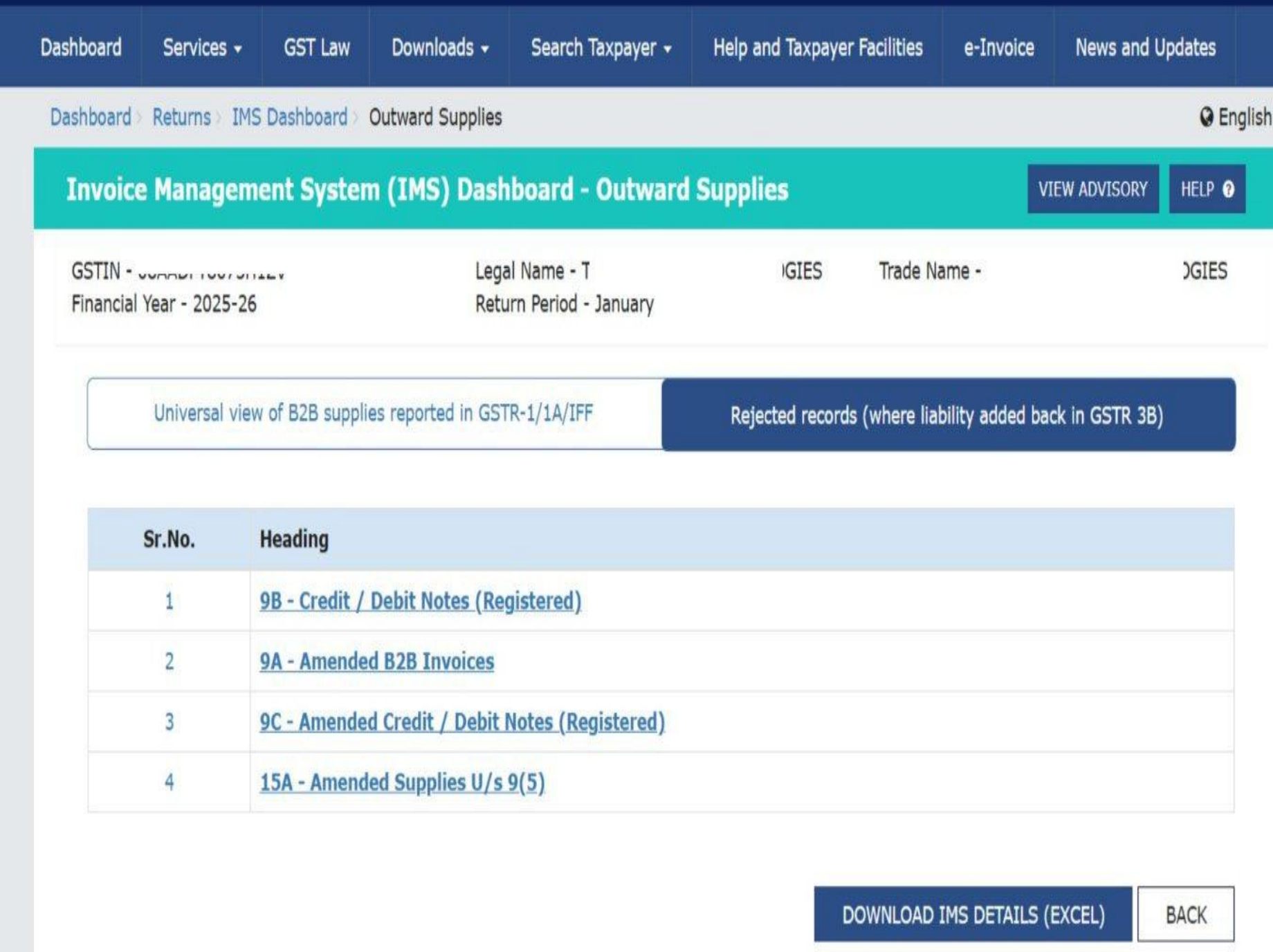
New RBI Cheque Bounce Rules 2026:

- ✓ Double Fine on Bounced Cheques
- ✓ Jail Term for Repeat or Serious Offences
- ✓ Banks Can Restrict Cheque Book Facilities
- ✓ Not Require to Pay Court Fees & Faster Disposal of Cases
- ✓ Offence under Section 138 of the Negotiable Instruments Act, 1881
- ✓ courts and parties may use electronic evidence (SMS, emails, bank-notifications) to support cases

GSTN IMS Enhancement!!

A new separate tab has now been provided in Outward IMS to display Rejected Credit Notes etc. - where liability is required to be added back in GSTR-3B

👉 Earlier, we had to manually check all IMS entries to identify such cases.



Dashboard Services GST Law Downloads Search Taxpayer Help and Taxpayer Facilities e-Invoice News and Updates

Dashboard > Returns > IMS Dashboard > Outward Supplies English

Invoice Management System (IMS) Dashboard - Outward Supplies

VIEW ADVISORY HELP

GSTIN - ~~XXXXXXXXXX~~ Legal Name - TIGIES Trade Name - ~~XXXXXXXXXX~~
Financial Year - 2025-26 Return Period - January

Universal view of B2B supplies reported in GSTR-1/1A/IFF Rejected records (where liability added back in GSTR 3B)

Sr.No.	Heading
1	9B - Credit / Debit Notes (Registered)
2	9A - Amended B2B Invoices
3	9C - Amended Credit / Debit Notes (Registered)
4	15A - Amended Supplies U/s 9(5)

DOWNLOAD IMS DETAILS (EXCEL) BACK

- (5) The registered person who intends to withdraw from the option availed under sub-rule (1), shall file an application, in FORM GST REG-32, duly signed or verified through electronic verification code on the common portal, either directly or through a Facilitation Centre notified by the Commissioner:

Provided that the registered person shall not be allowed to file such application unless he has furnished, -

- (a) returns for a period of minimum three months, where such application is filed before 1st April, 2026;
- (b) returns for a period of minimum one tax period, where such application is filed on or after 1st April, 2026; and
- (c) all the returns due for the period from the effective date of registration till the date of application for withdrawal:

Provided further that the registered person shall be allowed to file such application where no proceedings under section 29 have been initiated against such registered person.

- (6) Where there is any change in particulars furnished in FORM GST REG-01 by the person who has been granted registration under this rule, the said registered person shall get the particulars amended under rule 19 before filing an application for withdrawal under sub-rule (5).
- (7) Based on data analysis and risk parameters on the common portal, the provisions of sub-rule (4A) of rule 8 relating to authentication of Aadhaar number or biometric-based Aadhaar authentication, taking photograph of the applicant along with verification of

original copy of documents uploaded along with registration application in FORM GST REG-01, shall, so far as may be, apply to application for withdrawal filed under sub-rule (5).

GSTN has enabled a new online facility for eligible taxpayers to apply for withdrawal from the option availed under Rule 14A of the CGST Rules by filing Form GST REG-32 on the GST Portal.

1. Who can apply

- Active Taxpayers who are registered under Rule 14A, may apply for OPT OUT in accordance with the provisions of the law.

2. How to apply on the GST Portal

- After login, navigate to:
Services -> Registration -> Application for Withdrawal from Rule 14A
The link will be visible only if the taxpayer is registered under Rule 14A and is active.
- The field "Option for registration under Rule 14A" will be selected as "No" by default.
- Enter "Reason for withdrawal from Rule 14A".
- Proceed to Aadhaar Authentication tab for Aadhaar Authentication of Primary Authorised Signatory and one Promoter/Partner.

3. Key pre-conditions

- The registered person shall not be allowed to file Form GST REG-32 unless he has furnished,

(a) returns for a period of minimum three months, if Form GST REG-32 is filed before 1st April, 2026;

(b) returns for a period of minimum one tax period, if Form GST REG-32 is filed on or after 1st April, 2026; and

(c) all the returns due for the period from the effective date of registration till the date of filing of Form GST REG-32.

4. Aadhaar authentication

- Based on data analysis, the taxpayer will have to undergo either OTP based Aadhaar authentication or Biometric based Aadhaar Authentication.
- Authentication is required for:
 - oPrimary Authorised Signatory (mandatory), and
 - oAt least one Promoter/Partner (where applicable).
- ARN will be generated only after successful Aadhaar authentication.

5. Important timelines

- Draft application must be submitted within 15 days of creation.
- Aadhaar/Biometric authentication must be completed within 15 days from submission.
- If authentication is not completed within the prescribed time, ARN will not be generated.

6. Restrictions during processing

- While Form GST REG-32 is pending after submission, Taxpayer cannot file Core amendment, non-core amendment and Self-cancellation application.

7. Post-Sanction of Opt-Out

- The taxpayer who has received an order in Form GST REG-33 allowing withdrawal shall be able to furnish the details of output tax liability on supply of goods or services or both made to registered persons, exceeding the output tax liability of Rs.2.5 lakhs, from the first day of succeeding month in which the said order has been issued.



GST Offences & Penalties

Ensuring Compliance



Types of Offences

- Fake / Wrong Invoices
- Fraud
- Tax Evasion
- Transport Violations
- Others

Penalties Under GST

- **Fraud** → **100%** Tax Evaded or **₹10,000** (Higher)
- **Other Cases** → **10%** Tax Due or **₹10,000** (Higher)
- **General Penalty** → Up to **₹25,000**

Jail Terms for Fraud

- ₹100 - 200 Lakhs → Up to **1 Year**
- ₹200 - 500 Lakhs → Up to **3 Years**
- Above ₹500 Lakhs → Up to **5 Years**

Common Offences & Penalties

- Late Filing GSTR** → **₹100/Day** (Max **₹5,000**)
- Not Filing GSTR** → **10% Tax Due** or **₹10,000**
- Fraud** → **100% Tax Due** + **Jail**

Compliance Requirements

- Register under GST
- File Returns Timely
- Issue Correct Invoices
- Pay Taxes on Time
- Maintain Records

Enforcement & Judicial Powers



Stay Compliant • Avoid Penalties!



31st March, 2026 is Last Date For Below Compliance

- 1) File application for / renewal of LUT for FY 2026-27 (by 31st March) - applicable for supplies to SEZ and export transactions.
- 2) opt for composition scheme for financial year 2026-27 should file form CMP-02 on the common portal on or before 31st March 2026
- 3) Filing Annexure V & VI to opt for FCM/RCM for GTA supplies for FY 2026-27 by 31st March 2026.
- 4) Filing Annexure VII & IX to opt in or opt out of 'specified premises' w.r.t restaurant services provided where accommodation services is less than INR 7,500 per day. Due date is 31st March 2026.

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About Us

Hello, I am Jagmohan Singh

Leading Cash Flow Expert & Your Financial Freedom Mentor

For 22+ years, I have been helping business owners to fix their financial woes, iron out money challenges, build a solid cash inflow-outflow mechanism.

I have been so incredibly blessed to have had some of the best mentors come into my life and share their wisdom with me, so I have vowed to continue the tradition of passing on the wisdom that has been entrusted to me.

A Global Indian of the Year awardee, I have worked with more than 879 business owners in India & abroad and helped them reach their financial freedom goals at a speed they never thought possible.





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If you have any questions, feedback, or inquiries, please don't hesitate to reach out to us. Our team is here to assist you in any way we can. You can contact us via phone, or through our website's contact form.

We value your input and look forward to hearing from you. Thank you for considering reaching out to us.

