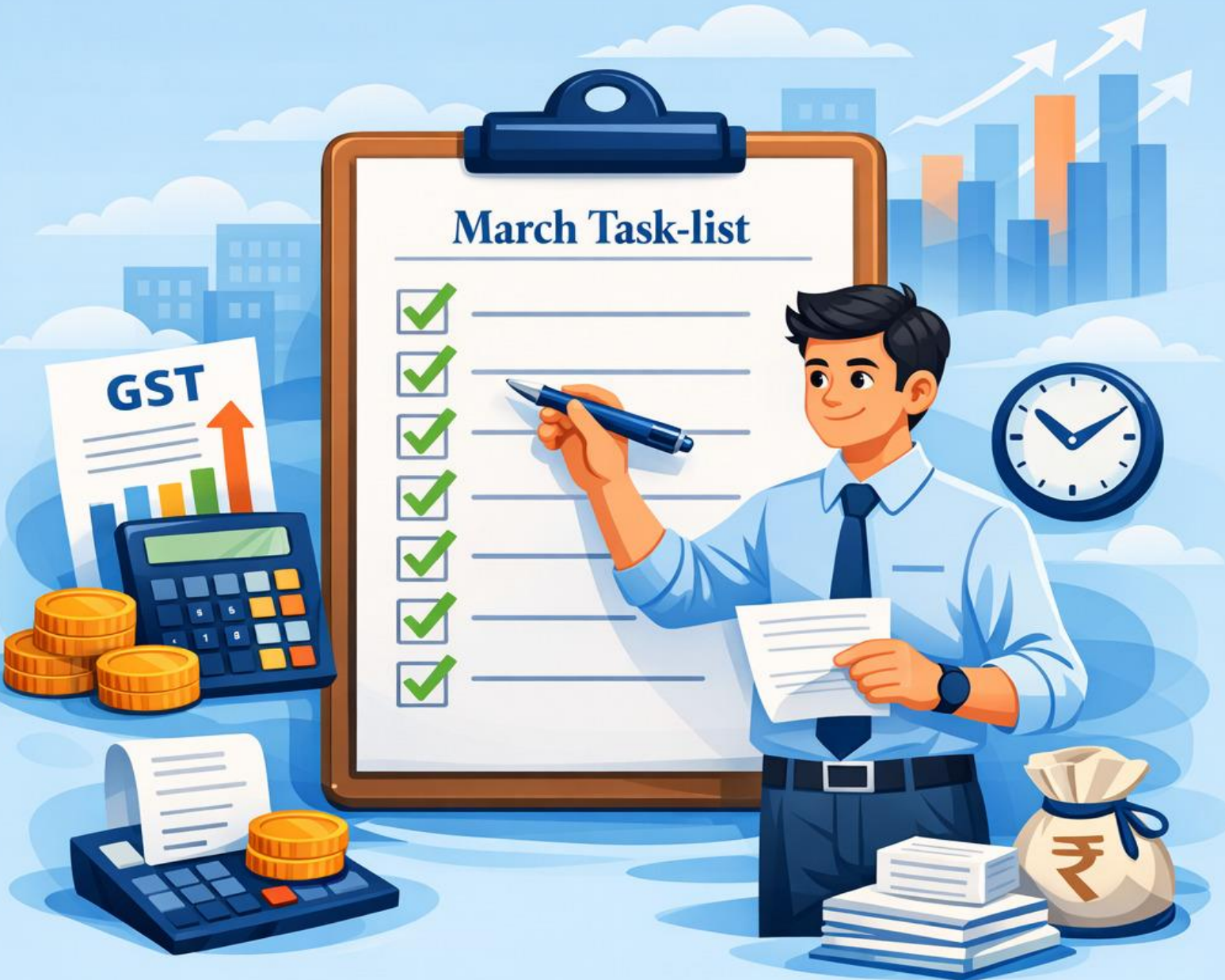


GCo Connect - March 2026

Gabhawalla & Co | Chartered Accountants



Greetings to all our readers!

As the current financial year draws to a close, it is imperative for taxpayers to undertake a comprehensive review of their GST obligations. The month of March serves as a critical window for both finalizing the records of the concluding year and setting the foundation for the upcoming fiscal period.

The following key activities must be prioritized to ensure statutory compliance and mitigate potential risks:

(A) Statutory Filings and Options

- Letter of Undertaking (LUT): Exporters of goods or services, and suppliers to SEZs, must file a fresh LUT in FORM GST RFD-11 for FY 2026-27. Missing this deadline will require payment of IGST on zero-rated supplies, affecting working capital.
- Composition Scheme: Eligible small taxpayers wishing to continue under the Composition Scheme must submit FORM GST CMP-02 by March 31st. Those no longer eligible must opt out within the same period.
- GTA Declarations: Goods Transport Agencies wanting to switch between Forward and Reverse Charge mechanisms must file Annexure V or VI accordingly. No filing is needed if the existing option remains unchanged
- Specified premise Declaration: Hotel and accommodation providers can file the “specified premises” opt-in declaration (through the online option on the GST portal - Annexure VII/VIII) to apply the desired GST rate structure for the next financial year. No filing is needed if the existing option remains unchanged.

(B) Year-End Reconciliations and Adjustments

- ITC Reversal under Rule 42/43: Compute annual Input Tax Credit reversals for inputs and capital goods used for both taxable and exempt supplies. Any shortfall must be adjusted in the March GSTR-3B to avoid interest liabilities.
- Reconciliation Between Books and Returns: Ensure tax liabilities reflected in GSTR-1, GSTR-3B, and books match accurately. Correct any differences—like wrong HSN codes or rates—while filing March returns to ensure a smooth Annual Return (GSTR-9) process.
- SEZ Endorsements: Obtain invoice endorsements from SEZ officers for all zero-rated supplies made to SEZ customers to substantiate zero-rating claims during assessments

(C) Other Key Activities

- Taxpayers with turnover up to ₹5 crore must select their QRMP scheme frequency (monthly/quarterly) for FY 2026-27 by April 30th.
- File any pending refund claims before their two-year time limit expires.
- Verify all goods sent for job work have been returned within statutory timelines to avoid being treated as deemed supplies and keep data ready for filing half-yearly/ annual job work return in Form GST ITC-04
- Compute previous year turnover ratio (i.e., FY 25-26’s turnover) as required for ISD related ITC distribution for ISD return for FY 26-27

Completing these crucial tasks in advance will minimize compliance risk, prevent credit losses, and ensure a smooth transition into the new financial year

Through this month's newsletter, we bring to you the following

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GST Sector Spotlight | Insight Series

We've hosted eight insightful sessions as part of our latest video series, designed to break down the complexities of GST Law into practical, sector-specific guidance you can apply with ease in your business. The details of the said sessions are tabulated below for quick access:

Topic	Date	YouTube Link
"Discounts" and "Intermediary" - Key Developments post Union Budget 2026	17-Feb-2026	Click here
GST for Rented/ Leased Properties	30-Jan-2026	Click here
Key Changes in Form GSTR 9/ 9C for FY 2024-25	07-Nov-2025	Click here
E-way bill in GST	26-Sept-2025	Click here
Media and Entertainment Sector	02-Sept-2025	Click here
Infrastructure, Construction and Engineering Sector	01-Aug-2025	Click here
Goods Transport Agencies in GST	27-June-2025	Click here
Issues in Hospitality Sector	30-May-2025	Click here
RCM in Real Estate Sector	25-Apr-2025	Click here

This newsletter is for general public information and knowledge sharing. In case any clarifications required, you may connect with us at:

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A. PORTAL UPDATES

• GSTN advisory w.r.t. Withdrawal from Rule 14A (Form GST REG-32)

- GSTN has enabled an online facility for taxpayers registered under Rule 14A of the CGST Rules to opt out by filing Form GST REG-32 on the GST portal. This facility is for taxpayers who want to pay GST liability exceeding Rs. 2.5 lakhs in a month but initially registered as taxpayers having GST liability less than Rs. 2.5 lakhs per month.

- Key pre-conditions:

Form GST REG-32 can be filed only if the registered person has:

- a. Filed returns for minimum three months, where Form GST REG-32 is filed before 1st April 2026, or
 - a. Filed returns for minimum one tax period, where Form GST REG-32 is filed on or after 1st April 2026;
 - and
 - b. Filed all returns due from the effective date of registration till the date of filing Form GST REG-32
- Aadhaar authentication and timelines
 - a. Aadhaar verification must be completed within 15 days from submission of Form GST REG-32.
 - b. Based on GSTN's data analysis, Aadhaar verification will be either OTP-based or biometric-based after submission of Form GST REG-32.
 - c. ARN will be generated only after successful Aadhaar authentication.
 - d. While Form GST REG-32 is under processing, the taxpayer cannot file core amendment, non-core amendment or self-cancellation applications on the portal
 - End result: After the proper officer allows withdrawal by issuing Form GST REG-33, the taxpayer will be able to furnish details of output tax liability on supplies to registered persons exceeding Rs. 2.5 lakhs, from the first day of the month following the month of the order.

GST Portal advisory dated 21.02.2026

• GSTN advisory w.r.t. ITC utilization

- In continuation of the advisory dated 30 January 2026, the GSTN has now clarified that the functionality to utilise CGST or SGST input tax credit for payment of IGST liability, in any order of payment after complete exhaustion of IGST credit, will be available from the February 2026 tax period onwards.

GST Portal advisory dated 19.02.2026

B. RECENT DECISION (JUDICIARY & ADVANCE RULINGS)

I. Classification and Taxability under GST

- The Authority for Advance Rulings (AAR), in the case of **IN RE: M/S VISION PLUS SECURITY CONTROL LIMITED [2026-VIL-08-AAAR]** addressed the taxability of diesel and petrol charges invoiced separately on a per-kilometre basis for fleet operations. The Authority ruled that because petroleum products are currently outside the purview of GST under Section 9(2), they cannot be treated as part of a composite supply. Instead, the fuel component must be treated independently, subject to VAT and Central Excise, even when bundled with a transport service
- The Odisha' AAAR, in the case of **In Re: M/s Thermo Fisher Scientific India Pvt Ltd [Order No. 02/ ODISHA-AAAR/ Appeal/ 2025-26 dated 09.01.2026]**, examined whether the taxpayer's activities in Odisha create a "place of business", "fixed establishment" or trigger a separate GST registration requirement. The applicant's Head Office in Maharashtra enters into AMC/ CMC contracts, raises all invoices, receives consideration, and dispatches spare parts from its Bhiwandi warehouse, while Field Service Engineers (FSEs) stationed in Odisha only perform onsite service and may temporarily hold minimal trunk stock for operational convenience. The AAAR held that such temporary retention of spare parts and presence of FSEs does not amount to maintaining a warehouse, fixed establishment or conducting business through an agent in Odisha. Accordingly, it was held that all supplies are treated as made from Maharashtra, and no separate GST registration is required in Odisha for these activities.
- **IN RE: THE SINGARENI COLLIERIES COMPANY LIMITED [2026-VIL-04-AAAR]**, the Telangana AAAR analysed whether contributions to the District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) constitute consideration for a mining lease. While the AAAR initially viewed these as part of the mining royalty paid in the course of business, it ultimately applied Circular No. 206/18/2023-GST to rule that DMF contributions are not liable to GST. However, this exemption was not extended to NMET contributions, which remain taxable.

II. Input Tax Credit (ITC)

(a) Eligibility related

- The eligibility of ITC on pipelines was a major point of contention **IN RE: M/S GAIL (INDIA) LIMITED [2026-VIL-05-AAAR]**. The Odisha AAAR ruled that cross-country pipelines for natural gas are "immovable property" and specifically excluded from the definition of "plant and machinery" because they are laid outside factory premises. Consequently, ITC on the pipes and the works contract services for laying them is restricted under Section 17(5)(c) and (d).
- In **ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED vs. THE ASSISTANT COMMISSIONER CT, VIJAYAWADA [2026-VIL-125-AP]**, the court held

that selling essential commodities at subsidized rates lower than the purchase price does not disentitle a dealer from claiming full ITC.

- In **PARAG VINIMAY PVT LTD vs. ASSISTANT COMMISSIONER, STATE TAX, BUREAU OF INVESTIGATION, SOUTH BENGAL [2026-VIL-132-CAL]**, the HC clarified that if a supplier later files their GSTR-3B during an appeal, the demand for ITC reversal against the recipient should be dropped, and appellate authorities cannot introduce new grounds for denial without notice

III. Exports and Refund claims

(a) Zero-rating status

- The Supreme Court, in **COMMISSIONER OF DGST DELHI VS. GLOBAL OPPORTUNITIES PRIVATE LIMITED [2026-VIL-13-SC]**, refused to interfere with a High Court order stating that educational consultation services provided to students for foreign universities qualify as an "export of services." The revenue's attempt to classify these as "intermediary services" under Section 2(13) of the IGST Act was dismissed.

(b) Refund and drawbacks

- The nuances of "Net ITC" for refund purposes were addressed by the Madras High Court in **M/s SEA 6 ENERGY PRIVATE LIMITED vs ASSISTANT COMMISSIONER OF CENTRAL TAXES [2026-VIL-128-MAD]**. The court held that the "relevant period" in the refund formula under Rule 89(4) must be applied uniformly. An assessee cannot use one timeframe for turnover and a different, accumulated timeframe for ITC.
- In **AVIK TELEVENTURES PVT LTD vs UNION OF INDIA & ORS. [2026-VIL-12-SC-CU]** saw the Supreme Court upholding that the mere "unlocking" of mobile phones does not mean they have been "taken into use," thereby preserving the exporter's entitlement to duty drawback.

IV. Adjudications/ Principles of Natural Justice

(a) Pre-Deposit requirement before Tribunal

- The Jharkhand High Court in **ASHIRWAD FOOD INDUSTRIES v. UNION OF INDIA [(2026) 39 Centax 317 (Jhar.)]** considered the issue of pre-deposit for filing an appeal before the GST Appellate Tribunal (GSTAT) where the Tribunal is only partially functional. The petitioner challenged an appellate order that had substantially reduced the original demand from about Rs. 2.38 crores to approximately Rs. 40 lakhs. The assessee had already deposited Rs. 23.85 lakhs (around 10% of original demand) at the first appellate stage and argued that no further pre-deposit should be insisted upon for the Tribunal appeal. The Court accepted this contention and held that,

considering the existing deposit, no additional pre-deposit was required for instituting the Tribunal appeal under section 107 of the CGST/Jharkhand GST Acts. It directed that the Tribunal should entertain the appeal without raising limitation or fresh pre-deposit objections, even permitting physical filing if e-filing issues arise.

(b) Validity of bunched SCNs

- The Kerala High Court in **DHANLAXMI BANK LTD. v. STATE OF KERALA [(2026) 39 Centax 362 (Ker.)]** held that composite SCNs and consolidated orders covering multiple financial years under sections 73/ 74 of the CGST/ SGST Acts are unsustainable. The Court reasoned that the power under section 74 is year-wise, limitation runs separately (five years from the due date of each year's annual return), and a consolidated notice prejudices taxpayers by curtailing the statutory adjudication period and inflating pre-deposit burdens in appeal. W.r.t. dismissal of SLP in the case of Ambika Traders by the Supreme Court, the Kerala High Court clarified that the Supreme Court's *in-limine*, non-speaking dismissal of the SLP against the Delhi High Court view does not create binding precedent under Article 141 and cannot override the binding Kerala Division Bench decisions
- In **UBER INDIA SYSTEMS PRIVATE LIMITED vs DEPUTY COMMISSIONER OF CENTRAL TAX, VISAKHAPATNAM [2026-VIL-123-AP]**, the HC set aside a common show-cause notice that clubbed multiple financial years (2018-19 to 2020-21), ruling that separate notices are required for each period.

(c) Opportunity of Hearing

- In **NAIRSON MULTIVENTURES PRIVATE LIMITED & JAIBAJRANG LOHA PRIVATE LIMITED Vs STATE OF CHHATTISGARH [2026-VIL-117-CHG]**, the HC held that show-cause notices for registration cancellation must specify the date and time for a personal hearing; failure to do so is a violation of natural justice that cannot be cured by an appeal.

(d) Due judicial process

- In **M/S PRITI BUILDERS vs DEPUTY COMMISSIONER OF STATE TAX, BALLY AND SALKIA CHARGE & ORS. [2026-VIL-133-CAL]**, the High court ruled that denying an assessee access to seized documents and CPUs prevents a fair defence, necessitating a remand of the adjudication.

(e) Condonation of Delay

- In **M/S NAVAYUGA ENGINEERING COMPANY LIMITED vs UNION TERRITORY OF J AND K, JAMMU [2026-VIL-131-J&K]** and **THE INDIA CEMENTS LIMITED vs STATE OF RAJASTHAN [2026-VIL-127-RAJ]**, both cases saw delays (15 and 48 days, respectively) condoned where the petitioners were pursuing other remedies or undergoing major organizational restructuring.
- In **THE COMMISSIONER OF SERVICE TAX-II VS. INDIAN INSTITUTE OF MANAGEMENT [2026-VIL-14-SC-ST]**, the Supreme Court dismissed the Revenue's appeal for failing to show sufficient cause for delay.

(f) Administrative Jurisdictions

- In **NISHANT JAGATY vs HE SUPERINTENDENT, CGST & CX, RANGE-III, BURRABAZAR DIVISION, KOLKATA [2026-VIL-119-CAL-ST]**, the HC clarified that Superintendents lack the jurisdiction to adjudicate cases involving the "extended period of limitation" or "taxability," which must be handled by Deputy or Assistant Commissioners.
- In **SALES TAX OFFICER, BARASAT CHARGE VS. SANJAY SUR [2026-VIL-118-CAL]**, the Calcutta HC established that once a delegatee (Joint Commissioner) has exercised revisional jurisdiction over an order, a Senior Joint Commissioner cannot re-invoke those powers under a different section.

V. Pre-GST regime cases

(a) Service Tax - Taxability/ RCM:

- **THE COMMISSIONER OF GST & CENTRAL EXCISE, CHENNAI VS. M/S KAAR TECHNOLOGIES INDIA PVT LTD [2026-VIL-226-CESTAT-CHE-ST]** dealt with payments to an overseas Joint Venture (JV). The Tribunal found that since both the service provider (JV) and the service recipient (assessee) were located outside India, and the services (IT consultancy) were rendered and consumed abroad, the transactions fell outside the Indian service tax net.
- In a significant ruling for the healthcare sector, **FORTIS HEALTHCARE LTD vs COMMISSIONER OF CENTRAL EXCISE AND SERVICE TAX, CHANDIGARH-II [2026-VIL-219-CESTAT-CHD-ST]** established that fees received by hospitals from visiting doctors and revenue-sharing arrangements with specialized service providers are healthcare services, not "Business Support Services." These activities are therefore exempt from service tax.
- In **M/s RAJPUT SABHA BHAWAN vs COMMISSIONER OF CENTRAL EXCISE AND CUSTOMS, JAIPUR [2026-VIL-217-CESTAT-DEL-ST]**, the Tribunal upheld the exemption for skill-training programmes, as the society was a charitable organization working for non-commercial objectives.
- In **M/s UNIWORLD LOGISTICS PVT LTD vs COMMISSIONER OF GST AND CENTRAL EXCISE, CHENNAI [2026-VIL-220-CESTAT-CHE-ST]**, tax and penalties were set aside as the "excess income" earned by a freight forwarder was deemed non-taxable "business profit" rather than a commission for Business Auxiliary Service.
- In **PROTECTWELL SECURITY SERVICES vs COMMISSIONER OF CENTRAL GOODS & SERVICES TAX, NOIDA [2026-VIL-212-CESTAT-ALH-ST]**, the Tribunal emphasized that in cases where tax is payable by the recipient under the Reverse Charge Mechanism (RCM), the service provider cannot be held liable for non-payment. This is particularly relevant when the department attempts to invoke the extended period of limitation without proving a positive act of fraud or suppression.

(b) Central Excise – Valuation/ CENVAT

- In **M/s KIRBY BUILDING SYSTEMS INDIA PRIVATE LIMITED vs COMMISSIONER OF CENTRAL TAX, MEDCHAL [2026-VIL-222-CESTAT-HYD-CE]**, the CESTAT held that mere inter-connectedness does not automatically prove "mutuality of interest." For the department to invoke Rule 9 of the Central Excise Valuation Rules, it must establish that the parties are related as per Section 4(3)(b). Without such proof, the transaction value must be accepted.
- In **JINDAL STAINLESS LTD vs COMMISSIONER OF CENTRAL EXCISE, GOODS & SERVICE TAX, ROHTAK [2026-VIL-214-CESTAT-CHD-CE]**, the Tribunal limited CENVAT credit on fuel to only that portion of electricity consumed within the factory; electricity "wheeled out" to a state grid is considered an exempt "sale," making the corresponding input credit ineligible.
- In **SUNIL AGRO FOODS LIMITED vs THE COMMISSIONER OF CENTRAL EXCISE, BENGALURU [2026-VIL-221-CESTAT-BLR-CE]**, the assessee was able to establish that the "roasting" of Rava/ Sooji merely reduces moisture and does not amount to "manufacture," thus ensuring that excise duty is not payable on such activity.

(c) Customs – Classification/ Valuation:

- In **HRB BOARDING & LODGING PVT LTD vs COMMISSIONER OF CUSTOMS, CHENNAI [2026-VIL-227-CESTAT-CHE-CU]**, the Tribunal clarified the distinction between the Minimum Import Price (MIP) set by the DGFT and the transaction value under the Customs Act. The Tribunal ruled that while MIP regulates the permissibility of an import, the Customs assessable value is determined by the declared transaction value. If an importer accepts an enhanced value to meet DGFT policy conditions, the goods are considered purged of their "taint" and are not liable for confiscation or penalties.
- In **HANON CLIMATE SYSTEMS INDIA PVT LTD vs COMMISSIONER OF CUSTOMS ICD PATPARGANJ AND OTHER ICDS, DELHI [2026-VIL-216-CESTAT-DEL-CU]**, the Tribunal held that imported aluminium profiles should be classified under CTH 7604 (aluminium profiles) rather than CTH 8708 (automobile parts), as they were raw inputs requiring further processing.
- In **ANKIT IMPEX vs THE PRINCIPAL COMMISSIONER OF CUSTOMS, CHENNAI [2026-VIL-218-CESTAT-CHE-CU]**, the Tribunal set aside penalties because the demand was raised under Section 28 while the assessment was still "provisional," which is legally impermissible.

C. GST COMPLIANCE CHART FOR MARCH 2026

S N	Due Date	Form	Period	Periodicity	Special Remarks
1.	10.03.2026	GSTR - 7	Feb 2026	Monthly	To be filed by those who are required to deduct TDS under GST
2.	10.03.2026	GSTR - 8	Feb 2026	Monthly	To be filed by those who are required to collect TCS under GST
3.	11.03.2026	GSTR - 1	Feb 2026	Monthly	Taxpayers filing GSTR - 1 monthly
4.	13.03.2026	GSTR - 5	Feb 2026	Monthly	To be filed by a non-resident foreign taxpayer registered in GST
5.	13.03.2026	GSTR - 6	Feb 2026	Monthly	To be filed by an ISD
6.	13.03.2026	IFF	Feb 2026	Monthly	To be filed by those under QRMP Scheme (optional)
7.	20.03.2026	GSTR - 3B	Feb 2026	Monthly	To be filed by Taxpayer filing monthly GSTR 3B
8.	20.03.2026	GSTR - 5A	Feb 2026	Monthly	To be filed by non-resident Online Information and Database Access or Retrieval (OIDAR) services provider
9.	25.03.2026	PMT - 06	Feb 2026	Monthly	Challan to be filed for payment by those under QRMP Scheme