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# JDPro Insights March 2026 Edition

Bringing the latest regulatory updates in GST,  
Income Tax and more at your fingertips.





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# ➤ INDIRECT TAX INSIGHTS

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GSTN Enables Withdrawal from Simplified Registration Scheme (Rule 14A) – Form GST REG-32



# GSTN ENABLES WITHDRAWAL FROM SIMPLIFIED REGISTRATION SCHEME (RULE 14A) – FORM GST REG-32

## Background – Rule 14A:

Rule 14A of the CGST Rules, 2017 introduced a Simplified GST Registration Scheme for small taxpayers to reduce compliance burden.

- **Eligibility:** Taxpayers with monthly turnover up to ₹5 lakh.
- **Transaction Limits:** Supplies to registered persons exceeding ₹2.5 lakh output tax per month were not required to be reported.
- **Objective:** Ease of doing business by limiting reporting requirements and administrative burden.

## Key Benefits:

- Reduced compliance and record-keeping requirements.
- Simplified reporting for small taxpayers.
- Focus on business operations rather than GST compliance.

## Withdrawal from Rule 14A – Form GST REG-32:

GSTN Advisory dated 21st February 2026 allows eligible taxpayers to opt out of Rule 14A using Form GST REG-32.

**1. Eligibility:** Active taxpayers registered under Rule 14A.

### 2. Pre-conditions:

- File all GST returns from the effective date of registration up to filing date.
- Minimum returns requirement:
  - Before 1 April 2026: At least 3 months' returns.
  - On/after 1 April 2026: At least 1 month's return.

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## **GSTN ENABLES WITHDRAWAL FROM SIMPLIFIED REGISTRATION SCHEME (RULE 14A) – FORM GST REG-32**

### **3. Process on GST Portal:**

- Navigate: Services → Registration → Application Withdrawal from Rule 14A.
- Select “No” for Rule 14A option and provide reason for withdrawal.
- Complete Aadhaar authentication for Primary Authorised Signatory and one Promoter/Partner.

### **4. Timeline:**

- Draft submission within 15 days of creation.
- Complete Aadhaar/Biometric authentication within 15 days

### **5. Restrictions:**

- No core/non-core amendments or self-cancellation while application is pending.

### **6. Post-Approval (Form GST REG-33):**

- Taxpayers can report output tax liability exceeding ₹2.5 lakh to registered persons from the first day of the succeeding month.

# ➤ DIRECT TAX INSIGHTS

- 1 CBDT Invites Industry Feedback on Draft Income-tax Rules & Forms, 2026
- 2 CBDT Advisory: Revised Time Limits for TDS/TCS Correction Statements under Income-tax Act, 2025



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## CBDT INVITES INDUSTRY FEEDBACK ON DRAFT INCOME-TAX RULES & FORMS, 2026

The Income-tax Act, 2025, which received Presidential assent in August 2025, will come into effect from **1 April 2026**. In alignment with the Act, the Government has prepared draft Income-tax Rules and Forms aimed at simplifying compliance and reducing redundancy.

### Key highlights of the draft rules and forms:

- Language has been simplified; formulas and tables included where necessary.
- Redundant rules from the 1962 Rules have been consolidated; draft Rules 2026 now contain 333 rules and 190 forms (down from 511 rules and 399 forms).
- Forms are standardized with prefill and automated reconciliation features for easier, error-free filing.
- Two navigators are provided to map old rules/forms to the new drafts for stakeholder guidance.

### The CBDT invites stakeholders to provide suggestions under the following categories:

1. Simplification of language
2. Reduction of litigation
3. Reduction of compliance burden
4. Identification of redundant/obsolete rules and forms

Suggestions should specify the relevant rule, form, sub-rule, or item number and indicate the applicable category.

Stakeholders can submit inputs from 4 February 2026 onwards at: [CBDT e-portal](#)



## 2 CBDT ADVISORY: REVISED TIME LIMITS FOR TDS/TCS CORRECTION STATEMENTS UNDER INCOME-TAX ACT, 2025

The Income-tax Department has issued guidance on the reduced time limits for filing TDS/TCS correction statements under the new Income-tax Act, 2025, which will come into effect from 1 April 2026. This change significantly shortens the correction window compared to the earlier Income-tax Act, 1961.

### 1. Correction Timeline Comparison

Feature	Income-tax Act, 1961	Income-tax Act, 2025
Maximum period to file TDS/TCS correction	Upto <b>6 years</b> from the end of the financial year in which the original statement was filed	Upto <b>2 years</b> from the end of the tax year in which the original statement was required to be delivered
Example	A TDS statement for FY 2018-19 could be corrected up to 31 March 2025	A TDS statement for FY 2024-25 must be corrected by 31 March 2027

### 2. Transition Considerations:

Since the Income-tax Act, 1961 will be repealed on **1 April 2026**, all pending corrections under the old Act must be completed before this date. Corrections filed after **31 March 2026** under the 1961 Act will not be accepted.

## CBDT ADVISORY: REVISED TIME LIMITS FOR TDS/TCS CORRECTION STATEMENTS UNDER INCOME-TAX ACT, 2025

### Affected periods include:

- FY 2018-19 (Q4)
- All quarters of FY 2019-20 to FY 2022-23
- FY 2023-24 (up to Q3)

### 3. Practical Implications:

- Deductors and collectors must plan urgent filing of pending corrections under the 1961 Act to avoid non-compliance.
- Going forward, the 2-year window under the 2025 Act will apply to all correction statements, requiring more timely review and reconciliation of TDS/TCS statements.
- The reduced timeline encourages early detection and rectification of errors, minimizing disputes and potential penalties.

# ➤ CORPORATE LAW/RBI INSIGHTS

- 1 MCA Launches Companies Compliance Facilitation Scheme, 2026
- 2 IICA Constitutes High-Level Advisory Group on Ease of Doing Business
- 3 RBI Revises External Commercial Borrowings (ECB) Guidelines
- 4 MSME Lending Norms – RBI Enhances Collateral-Free Loan Limit



# 1 MCA LAUNCHES COMPANIES COMPLIANCE FACILITATION SCHEME, 2026

The Ministry of Corporate Affairs (MCA) has introduced the Companies Compliance Facilitation Scheme, 2026 to provide companies with a time-bound relief window for clearing pending filings related to annual returns and financial statements. The scheme is aimed at reducing long-standing non-compliance and facilitating voluntary compliance in a simplified and cost-effective manner.

## 1. Applicability:

The scheme applies to:

- Companies with **overdue filings** under the Companies Act, 2013.
- **Inactive** or **dormant companies** seeking simplified compliance options.

## 2. Key Features and Options:

Option	Description	Fee Payable	Benefit
Complete Pending Filings	Companies can file overdue annual returns and financial statements	10% of additional fees due to delay	Clear pending compliance at reduced cost
Declare Dormant Company	File e-form MSC-1 under Section 455	50% of normal fee	Minimal compliance obligations while remaining on the register
Strike-Off	Apply for company strike-off via e-form STK-2	25% of normal filing fee	Remove the company from the register without full penalty cost

# 1 MCA LAUNCHES COMPANIES COMPLIANCE FACILITATION SCHEME, 2026

## 3. Objective:

The scheme aims to:

- Promote voluntary compliance among defaulting companies.
- Provide relief from penal consequences for certain overdue filings.
- Reduce administrative burden and clear long-pending non-compliance cases efficiently.

## 4. Timeline:

- Effective From: 15 April 2026
- Validity Till: 15 July 2026

Companies are encouraged to take advantage of this limited window to regularize their filings at reduced costs.

## IICA CONSTITUTES HIGH-LEVEL ADVISORY GROUP ON EASE OF DOING BUSINESS

The **Indian Institute of Corporate Affairs (IICA)**, under the Ministry of Corporate Affairs (MCA), has established a high-level advisory group to enhance ease of doing business in India. This initiative, in line with the Government's vision of a Developed India by 2047, aims to create a transparent, efficient, and globally competitive corporate ecosystem.

### Key Objectives:

- **Simplify corporate compliance:** Rationalise e-form filings under the Companies Act, 2013.
- **Leverage technology:** Promote automation, event-based processing, and integrated form design for improved user experience.
- **Reduce regulatory burden:** Minimise duplicative filings and streamline compliance processes.
- **Global best practices:** Benchmark India's regulatory framework against international standards.
- **Phased implementation:** Develop a roadmap for smooth adoption of reforms.

### Role and Mandate:

- Facilitate stakeholder consultations to encourage participatory policymaking.
- Conduct impact assessments to measure improvements in compliance efficiency.
- Recommend amendments to the Companies Act, related rules, and allied matters.

This advisory group represents a strategic step toward a modern, technology-driven, and investor-friendly regulatory framework.

## RBI REVISES EXTERNAL COMMERCIAL BORROWINGS (ECB) GUIDELINES

On 16 February 2026, the Reserve Bank of India (RBI) issued significant amendments to the ECB framework, effective immediately. The revised guidelines aim to liberalise borrowing norms, simplify compliance, and provide operational flexibility for Indian entities.

### Key changes include:

- **Eligible Borrowers:** The scope has been expanded to include entities incorporated under central or state legislation, including limited partnerships.
- **Minimum Average Maturity Period (MAMP):** Standardised at 3 years. Manufacturing entities may raise ECBs with maturities of 1–3 years, subject to a cap of USD 150 million for shorter-tenor borrowings.
- **All-in-Cost Ceiling:** Removed; borrowing costs will now reflect prevailing market conditions and arm's length norms for related parties.
- **End-Use Provisions:** Restrictions have been liberalised. ECBs for construction development are allowed, provided plots are sold only after trunk infrastructure completion. Industrial park financing is permitted subject to prescribed minimum units and allocable area.
- **Parking of ECB Proceeds:** INR proceeds must be credited to an INR account by the following month, with temporary investment allowed in unencumbered fixed deposits for up to one year. FCY proceeds may be held in India or abroad and temporarily invested in fixed deposits or debt instruments with up to one-year maturity.
- **Borrowing Limits:** The ECB headroom has increased from USD 750 million to the higher of USD 1 billion or 300% of the borrower's net worth (standalone). Financial sector regulated entities are exempt from these limits.

## RBI REVISES EXTERNAL COMMERCIAL BORROWINGS (ECB) GUIDELINES

- **Reporting Requirements:** Form ECB-2 filing is now event-based, submitted only upon utilisation of ECB proceeds or debt servicing, due within 7 calendar days of the event.
- **Untraceable Borrowers:** Borrowers failing to file specified returns for four consecutive quarters, with documented unsuccessful contact attempts, may be classified as untraceable and notified to RBI and the Directorate of Enforcement.

The revised framework is expected to provide greater certainty, flexibility, and simplified compliance, supporting growth and global competitiveness for Indian borrowers.

### References:

- RBI Master Circular on ECBs dated 16<sup>th</sup> February 2026 - [Click Here](#)
- Revised Form ECB-1 Template - [Click Here](#)
- Revised Form ECB-2 Template - [Click Here](#)

## MSME LENDING NORMS – RBI ENHANCES COLLATERAL-FREE LOAN LIMIT

The Reserve Bank of India has issued the RBI MSME Lending (Amendment) Directions, 2026 on 9th February 2026, introducing a significant revision to collateral requirements for micro and small enterprises (MSEs). The amended norms will be effective from **1st April 2026**.

### Key Changes

Particulars	Revised Norm
Collateral-free lending limit for MSMEs	Increased from ₹10 lakh to ₹20 lakh
Applicability	All Micro and Small Enterprises borrowing from banks
PMEGP beneficiaries	Same ₹20 lakh collateral-free limit
Higher limit flexibility	Banks may relax collateral requirements up to ₹25 lakh for MSMEs with strong financials and satisfactory repayment history, subject to internal credit policies

The enhanced threshold is expected to improve credit accessibility for small businesses, strengthen formal financing channels, and support entrepreneurship, particularly under the Prime Minister Employment Generation Programme implemented by the Khadi and Village Industries Commission.

# ➤ INTERNATIONAL TAXATION INSIGHTS

- 1 India–France DTAA Amended: Protocol Signed to Align with Global Tax Standards



## 1 INDIA–FRANCE DTAA AMENDED: PROTOCOL SIGNED TO ALIGN WITH GLOBAL TAX STANDARDS

During the recent visit of the French President to India, the Governments of India and France signed an Amending Protocol to the India–France Double Taxation Avoidance Agreement (DTAA) originally signed on 29 September 1992. The Protocol was signed by the Chairperson of the CBDT on behalf of India and the Ambassador of France to India on behalf of France.

### Key Amendments Introduced:

- **Capital Gains:** Full taxing rights on gains from sale of shares allocated to the country where the company is resident.
- **MFN Clause:** Deletion of the Most-Favoured-Nation clause, resolving longstanding interpretational issues.
- **Dividends:** Replacement of the uniform 10% rate with a differentiated rate—5% for shareholders holding at least 10% equity, and 15% in other cases.
- **Fees for Technical Services:** Definition aligned with the India–USA DTAA.
- **Permanent Establishment:** Inclusion of Service PE provisions.
- **Exchange of Information & Tax Collection:** Updated information exchange framework and introduction of assistance in tax collection provisions.
- **BEPS Alignment:** Incorporation of applicable provisions of the Multilateral Instrument (MLI).

The Protocol will become effective upon completion of domestic ratification procedures in both countries. The amendments modernise the treaty framework, enhance tax certainty, and are expected to strengthen bilateral investment and economic cooperation.

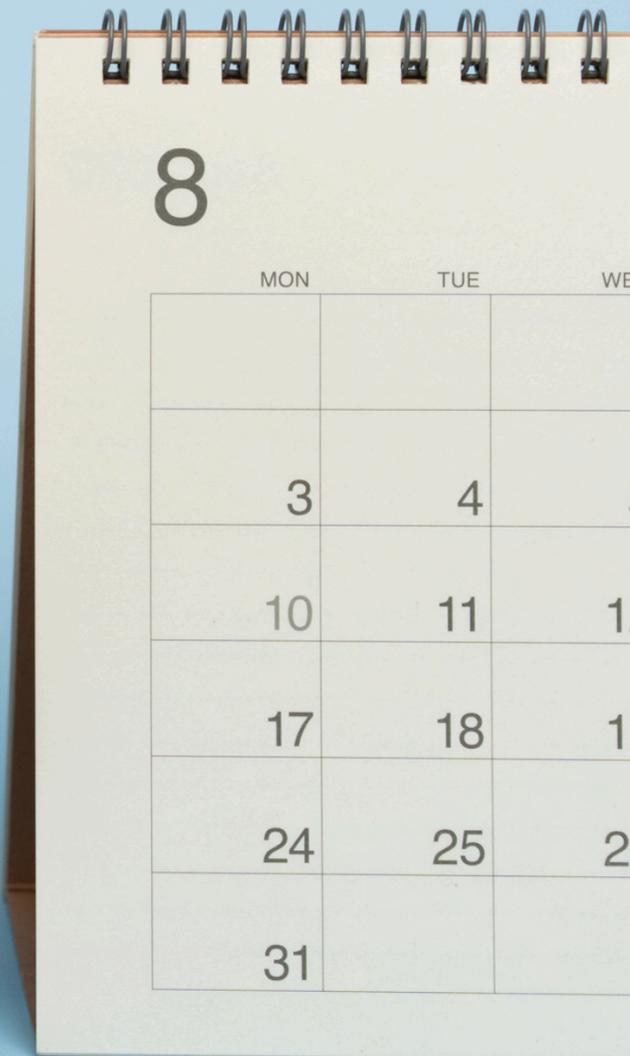
# COMPLIANCE CALENDARS - MARCH 2026

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**GST Compliance Calendar  
March 2026**

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**Other Statutory Compliances  
Calendar March 2026**



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## GST COMPLIANCE CALENDAR MARCH 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	To be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST	GSTR 7	Feb 2026	10.03.2026
2	To be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST	GSTR 8	Feb 2026	10.03.2026
3	Filing of outward supplies	GSTR 1	Feb 2026	11.03.2026
4	To be filed by Non-Resident Taxpayers and ODIAR services provider	GSTR 5/5A	Feb 2026	13.03.2026
5	To be filed by Input Service Distributors	GSTR 6	Feb 2026	13.03.2026
6	Taxpayers with an annual turnover exceeding ₹ 5 Crores.	GSTR 3B	Feb 2026	20.03.2026
7	Filing of Invoice Furnishing Facility (IFF) for B2B invoices under the QRMP scheme		Feb 2026	13.03.2026
8	Due Date for filing Form RFD-11 (Letter of Undertaking)	Form RFD-11	FY 2026-27	31-03-2026
9	Due date for filing of application to opt for Composition Levy	Form CMP-02	FY 2026-27	31-03-2026
10	QRMP taxpayers (turnover $\leq$ ₹5 Cr): Monthly tax payment	Form GST PMT-06	Feb 2026	25-03-2026

## OTHER STATUTORY COMPLIANCES CALENDAR MARCH 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	Due date for deposit of TDS/TCS for the month of February 2026.	Challan	Feb 2026	07.03.2026
2	Filing Professional Tax returns by the employers or the individuals who are liable to pay professional tax		Feb 2026	10.03.2026
3	Provident fund(PF) & ESI Payment and returns		Feb 2026	15.03.2026
4	Due date for the payment for Deposit of Advance Tax(4th Installment)		FY 2025-26	15.03.2026
5	Due date for filing of Form 3CEAD (Country-by-Country Report) by parent entity or alternate reporting entity (resident in India) of an international group.	Form 3CEAD	FY 2024-25	31.03.2026
6	Due date for filing of Form 67 (Foreign Tax Credit statement)	Form 67	FY 2024-25	31.03.2026
7	Due date for Filing of updated Income-tax return u/s 139(8A) of Income-tax Act		FY 2020-21	31-03-2026



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