

Monthly NEWSLETTER



For the Month of February 2026

(Covers Tax updates, Case laws and Due dates of GST, Income Tax and MCA)

DASA & CO

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Welcome to our Newsletter!

In this edition of our newsletter, we are excited to bring you the most recent updates and developments in the field of taxation and legal amendments. Our primary goal is to provide you with timely and accurate information to assist you in making informed business decisions.

We understand the complexities of the ever-changing tax laws and regulations. That is why we curate each edition carefully to cover topics that are most relevant to your business and professional needs. Whether it is changes in tax laws, case studies, or tips on tax planning, our newsletter aims to be a comprehensive resource for all your tax-related queries.

Your feedback is incredibly important to us. It not only helps us improve but also ensures that we cover topics that matter the most to you. We are committed to making this newsletter a valuable resource, and we are always open to suggestions and questions.

If you have any questions or require further clarification on any of the topics discussed, please do not hesitate to reach out. Our dedicated team is just an email or a phone call away, ready to assist you in any way possible. We hope you find this newsletter both informative and useful. Thank you for your continued support!

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Rest assured, we keep a vigilant eye on every tax update that's relevant to you. However, knowledge is power, and we encourage you to take a moment to review the recent tax updates below. If you have any questions or need further clarification on any of them, please don't hesitate to reach out to us. Your financial success is our priority!



Tax Updates

(Circulars & Notifications)

Date	Subject	Details	Act
31-01-2026	MCA Clarification: 7 Days Allowed for Payment	For FY 2024-25 Financial Statements and Annual Returns, the MCA fee waiver remains applicable if- 1) The DSC-affixed PDF is uploaded on or before 31 January 2026 2) Payment is made within 7 days from the date of upload of the DSC-affixed PDF Key Point-Payment can be completed after upload, but the DSC-affixed PDF must be submitted within the waiver period.	MCA
30-01-2026	GSTN Enhances Interest Calculation and Auto-Population in GSTR-3B from January 2026	GSTN has issued an advisory announcing key enhancements in GSTR-3B effective from the January 2026 tax period. Interest calculation in Table 5.1 will now factor in the minimum cash balance available in the Electronic Cash Ledger, aligning with Rule 88B. The system-computed interest will be auto-populated and non-editable downward. Additionally, the tax liability breakup table will be auto-filled, ITC cross-utilisation will be more flexible, and interest on delayed last GSTR-3B for cancelled taxpayers will be collected via GSTR-10.	GST
26-01-2026	GSTN Issues Advisory on RSP-Based Valuation of Tobacco Goods from 1 Feb 2026	GSTN has issued an advisory clarifying the RSP-based valuation mechanism for notified tobacco goods, effective 1 February 2026. The advisory explains how taxable value and GST liability must be computed where GST is included in the declared Retail Sale Price (RSP). It also provides guidance on correct reporting of such supplies in e-Invoice, e-Way Bill, and GST returns including GSTR-1, GSTR-1A, and IFF, to ensure uniform compliance by taxpayers.	GST
22-01-2026	GSTAT Allows Lenient Scrutiny of	The GST Appellate Tribunal (GSTAT), Principal Bench, New Delhi, has directed all its benches to take a lenient	GST

	Appeals for Initial 6 Months	view while scrutinising appeal documents during the initial phase of GSTAT portal usage. For six months from the date of the order (20 January 2026), defects of form or minor procedural lapses should not be raised; only defects affecting the substance of the case may be pointed out. It is also clarified that documents generated through the GSTN system need not be certified, though scanned copies of physical documents attached with appeals must be signed.	
15-01-2026	MCA Updates Small Company Status in Master Data	Ministry of Corporate Affairs now shows Small Company status directly in MCA Master Data, simplifying compliance clarity for professionals. This classification reflects whether a company qualifies under Section 2(85) of the Companies Act based on paid-up capital and turnover thresholds. Explicit system visibility reduces guesswork, supports correct statutory filings, and speeds compliance decisions. Companies and advisors should verify reflected status against audited financials to avoid incorrect filings or compliance risk.	MCA
04-01-2026	GST Advisory on Opt-In Declaration for Specified Premises	GSTN has issued an advisory on filing the Opt-In Declaration for Specified Premises, pursuant to Notification No. 05/2025-Central Tax (Rate) dated 16 January 2025. The facility is available on the GST portal for regular taxpayers supplying hotel accommodation services and applicants seeking new GST registration. Two declarations are prescribed- Annexure VII for existing registered taxpayers and Annexure VIII for new applicants. For FY 2026-27, Annexure VII can be filed between 1 January 2026 and 31 March 2026. Composition taxpayers and certain other categories are excluded.	GST
01-01-2026	GST Valuation Shift: RSP-Based Taxation for Pan Masala and Tobacco Products	The Government has notified Notification No. 19/2025-Central Tax and 20/2025-Central Tax, introducing a major change in GST valuation for specified goods such as pan masala, tobacco, cigarettes, and nicotine-based products. Effective 1 February 2026, the value of supply for these goods will be deemed as the declared Retail Sale Price (RSP) minus applicable GST, irrespective of transaction value. New Rule 31D is inserted in CGST Rules, 2017, and corresponding relief is provided under Rule 86B for non-manufacturer registered persons where tax is already paid on RSP basis.	GST
31-12-2025	GSTN to Block Excess ITC Reclaim and Negative Balances in New Ledgers	GST Network (GSTN) has announced stricter validations for the Electronic Credit Reversal & Reclaimed Statement and the RCM Liability/ITC Statement. These ledgers track reversed and reclaimed ITC and RCM liabilities reported in GSTR-3B. Going forward, reclaim of ITC beyond available balances and negative ledger values will not be permitted. Taxpayers with negative balances must first reverse excess ITC or	GST

		pay additional RCM liability, failing which GSTR-3B filing will be blocked.	
31-12-2025	GSTAT Benches Allocated; Members to Join from 21 January 2026	The Ministry of Finance has issued Office Order No. 03/2025 dated 26 December 2025, allocating benches to newly appointed Members of the Goods and Services Tax Appellate Tribunal (GSTAT). The order specifies postings of Technical Members (Centre and State) and Judicial Members across various locations in India, including Delhi, Mumbai, Bengaluru, Kolkata, and other cities. All members are directed to join their respective benches on 21 January 2026, enabling GSTAT to become functionally operational for appellate proceedings.	GST
31-12-2025	MCA Amends Director KYC Rules	The Ministry of Corporate Affairs has notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2025, effective from 31 March 2026. The amendment replaces Rule 12A and mandates filing of Form DIR-3-KYC-Web for Director KYC compliance. Every individual holding a DIN as on 31 March must file KYC on or before 30 June after every third consecutive financial year. Further, any change in mobile number, email ID, or residential address must be updated within 30 days through DIR-3-KYC-Web, with applicable fees.	MCA

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Don't miss out on crucial legal insights that could impact your business success! Our Monthly Case Laws Digest is your gateway to understanding important court decisions that matter to your business. Take a moment to review these significant rulings below, and if you require more information or have questions, feel free to reach out to us.



Date	Subject	Details	Citation
19-01-2026	Second Reopening on Interest-Free Loan Held Invalid as Mere Change of Opinion- Radhika Roy v. Deputy Commissioner of Income-tax	<p>Facts: The assessee, a 50% shareholder-director of RRPR, received an interest-free loan, which was specifically examined during earlier reassessment proceedings. In the first reassessment, the AO proposed an addition u/s 2(22)(e) (deemed dividend) but dropped it after scrutiny of the books, balance sheet, and explanations. A second reopening was initiated after three years for the same loan, this time invoking section 2(24)(iv) based on a complaint.</p> <p>Decision: The second reopening was held to be a mere change of opinion, since the same transaction had already been examined earlier. There was no failure by the assessee to disclose material facts, making the invocation of the extended limitation invalid and without jurisdiction. The reassessment notice was held to be arbitrary and impermissible, and the notice u/s 148 was quashed.</p>	W.P.(C) No. 10527 and 10529 of 2017
15-01-2026	SC Denies DTAA Benefit on Flipkart Indirect Share Transfer- THE AUTHORITY FOR ADVANCE RULINGS (INCOME TAX) v. TIGER GLOBAL INTERNATIONAL II HOLDINGS	<p>Facts: Tiger Global International II, III, and IV Holdings, incorporated in Mauritius, invested in Flipkart Singapore, whose value was substantially derived from Indian assets. In 2018, these entities sold their shareholding as part of Walmarts global acquisition and claimed exemption from Indian capital gains tax under the India-Mauritius DTAA, relying on Tax Residency Certificates and grandfathering provisions. The AAR rejected the claim as tax-avoidant. Although the Delhi High Court set aside the AAR order, the Revenue appealed to the Supreme Court.</p> <p>Decision: The Supreme Court ruled in favour of the Revenue and set aside the Delhi High Court judgment.</p>	Civil Appeal Nos. 262 to 264 of 2026

		It held that a Tax Residency Certificate alone is insufficient to claim DTAA benefits after GAAR. Grandfathering under Article 13(3A) applies only to direct transfers of Indian company shares, not indirect transfers. Accordingly, capital gains from the 2018 transaction were held taxable in India.	
14-01-2026	Violation of section 75(7): GST demand set aside for exceeding scope of SCN- Vedant Road Carriers (P.) Ltd. v. Assistant Commissioner of West Bengal State Tax	Facts: The assessee was issued SCNs alleging a short declaration of outward supply in GSTR-3B based on the GST Back Office portal data. Without granting time or issuing a fresh notice, the adjudicating authority confirmed tax on a new ground, treating RCM supplies as taxable under FCM. The appellate authority upheld the demand, despite acknowledging that the adjudication went beyond the SCN. Decision: The Court held that confirming demand on a ground not specified in the SCN violates section 75(7) of the CGST Act. Use of undisclosed GST Back Office portal data deprived the assessee of a fair opportunity of defence. Both adjudication and appellate orders were set aside, and the matter was remanded for fresh consideration after due hearing.	WPA No. 12654 of 2025
31-12-2025	GST Refund on Export of Electricity Denied for Supply to Intermediary Due to Absence of Privity of Contract- SEIL Energy India Ltd. v. Principal Commissioner of Central Tax	Facts: The petitioner, a power-generating company, supplied electricity to the Bangladesh Power Development Board both directly and through the Power Trading Corporation of India (PTC), and claimed a refund of unutilised ITC by treating all such supplies as zero-rated exports. Separate contracts existed: one between PTC and the Bangladesh Board for the export of electricity, and another between the petitioner and PTC for the supply of power within India. GST authorities rejected the ITC refund relating to supplies made to PTC, holding that such supplies were domestic supplies, which was upheld in appeal. Decision: The Court held that no privity of contract existed between the petitioner and the Bangladesh Board for supplies routed through PTC; meetings and amendments did not create a direct export contract. Supply of electricity by the petitioner to PTC was a domestic supply completed in India, whereas export occurred only when PTC supplied electricity to Bangladesh. ITC refund was directed to be recomputed under Rule 89 by treating supplies to PTC as domestic supplies; writ petitions were dismissed in favour of the revenue.	W. P. No. 21938 of 2024 & OTHRS
24-12-2025	GST Appeal Dismissed as Time-Barred Restored for Senior Citizen on Payment of Costs; Bank Attachment Directed to be Lifted- Debapriya Chatterjee v. State of	Facts: The petitioner, a senior citizen, filed an appeal against a GST adjudication order, which was dismissed as time-barred by the appellate authority u/s 107. GST notices and orders were uploaded on the GST portal under Additional Notices and Orders, but the petitioner claimed inability to track them due to age, dependence on a tax consultant, and use of a third persons e-mail ID. Based on the adjudication order, the GST department attached the petitioners bank account u/s	WPA No. 24954 of 2025

	West Bengal	83. Decision: The HC held that although portal upload was proved and delay was not satisfactorily explained, the petitioners advanced age and dependence on a consultant justified granting a limited opportunity. The dismissal of the appeal was set aside conditionally, subject to payment of Rs. 15,000 as costs to the HC Legal Services Committee within three weeks. Upon compliance, the appeal was restored for hearing on merits, and the bank attachment was directed to be lifted; failure to pay costs would nullify the relief.	
24-12-2025	Issue dropped without opinion can be reopened when fresh and tangible material later surfaces- Mark Steels Ltd. v. Assistant Commissioner of Income-tax	Facts: For AY 2021-22, the assessee-company was subjected to scrutiny and asked u/s 142(1) to explain alleged cash payments to M-(Majee) Group, which it denied, claiming no such business relationship. The assessment was completed u/s 143(3) read with section 144B, and the issue was dropped as no verifiable data regarding M Group was available. Subsequently, fresh information from the Investigation Wing and Insight Portal/TAS indicated possible cash payments, leading to the initiation of reassessment proceedings u/s 148A and 148. Decision: The Court held that dropping the issue earlier due to lack of evidence did not amount to the formation of an opinion by the AO. Since reassessment was initiated on the basis of new and tangible material, it was not a case of a change of opinion. The reopening of the assessment was held to be valid and justified, and the writ petition was dismissed.	WPO No. 584 of 2025
23-12-2025	Self-Assessment Tax Paid After IDS Default Must Be Credited on Revival of Declaration- Vishnu Trimbak Thakur v. Principal Commissioner of Income-tax-1	Facts: The assessee filed a declaration under the Income Declaration Scheme (IDS), 2016, for undisclosed income of Rs. 3.51 crore but failed to pay the third instalment within time, due to which the declaration was deemed rejected u/s 197(b). Consequent to such deemed rejection, the assessee voluntarily filed a revised return for AY 2017-18, offered the same undisclosed income to tax, and paid Rs. 45 lakh as SA tax. After IDS was revived by the Finance (No. 2) Act, 2019, the assessee paid the balance IDS dues, treating the Rs. 45 lakh SA tax as part payment, but the department refused to grant credit and did not issue Form-4. Decision: The HC held that the SA tax of Rs. 45 lakh was paid only due to the deeming fiction u/s 197(b) and was inseparably linked to the undisclosed income declared under IDS. On revival of the IDS declaration, such tax had to be treated as tax paid under the Scheme, and credit thereof was mandatory; denial resulted in impermissible double taxation. The Court directed the department to treat Rs. 45 lakh as payment towards IDS liability, issue Form-4, and modify the AY 2017-18 assessment by excluding the undisclosed income.	WRIT PETITION NO. 6622 OF 2025

23-12-2025	Ignorance of tax law, foreign residence and senior citizen status do not justify condonation of delayed return filing- Manjit Singh Dhaliwal v. Commissioner of Income-tax International Taxation	<p>Facts: The petitioner, a non-resident and Canadian citizen, sold immovable property in India and earned bank interest during AY 2020-21 but failed to file his return of income within the prescribed time. He filed an application u/s 119(2)(b) in June 2025 seeking condonation of delay, citing residence abroad, senior citizen status, health issues, COVID travel restrictions, and ignorance of Indian tax laws. The Commissioner (International Taxation) rejected the application, holding that no genuine hardship was shown and that ignorance of law was not a valid ground for condonation.</p> <p>Decision: The Delhi HC upheld the rejection, reiterating the principle ignorantia juris non that ignorance of the law is no excuse. The Court held that residence abroad, senior citizen status, or delayed awareness of tax liability did not constitute sufficient cause or genuine hardship u/s 119(2)(b). Observing that statutory time limits must be strictly adhered to and no extraordinary circumstances were proved, the writ petition was dismissed in favour of the Revenue.</p>	W.P.(C) No. 19589 OF 2025 CM APPL. 81894 OF 2025
23-12-2025	GST demand quashed for ignoring SCN reply; matter remanded, notification issue kept open.- Friends Medicos v. Union of India	<p>Facts: The assessee filed its reply to the SCN both by email and by uploading on the GST portal, but the adjudicating authority recorded that no reply was filed. A demand order was passed without considering the reply, and the assessee's rectification application pointing out this lapse was also rejected mechanically. The assessee also challenged the validity of CBIC Notifications No. 09/2023-CT and 56/2023-CT, which extended the limitation period for passing orders u/s 73.</p> <p>Decision: The HC held that non-consideration of the assessee's reply amounted to a clear violation of principles of natural justice. The adjudication order and the rectification order were set aside, and the matter was remanded for fresh consideration after granting an opportunity of personal hearing. The challenge to the validity of the impugned notifications was kept open and made subject to the final decision of the SC.</p>	W.P. (C) No. 19591 of 2025 CM APPL. Nos. 81896 and 81897 of 2025
23-12-2025	Wrong portal upload cannot defeat natural justice, ex parte GST demand set aside, and matter remanded.- Abhay Kumar Singh v. Goods and Service Tax Officer, Delhi Department of Trade and Taxes	<p>Facts: The petitioners SCN and reminder were uploaded under the Additional Notices tab on the GST portal, which was not visible prior to 16.01.2024, resulting in no reply or appearance at a personal hearing. An ex parte demand order for FY 2018–19 was passed without giving the petitioner an effective opportunity to be heard. The petitioner also challenged the validity of CBIC and State notifications extending the limitation period for adjudication.</p> <p>Decision: The Court held that the wrong uploading of the SCN deprived the petitioner of natural justice, and hence the impugned order was set aside. The matter was remanded for fresh adjudication with liberty to file a reply and avail a personal hearing. Any fresh order was directed to be subject to the outcome of pending</p>	W.P.(C) 19590 of 2025 CM APPL. 81895 of 2025

	SC/HC decisions on the validity of limitation-extending notifications.	
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UPCOMING DUE DATES

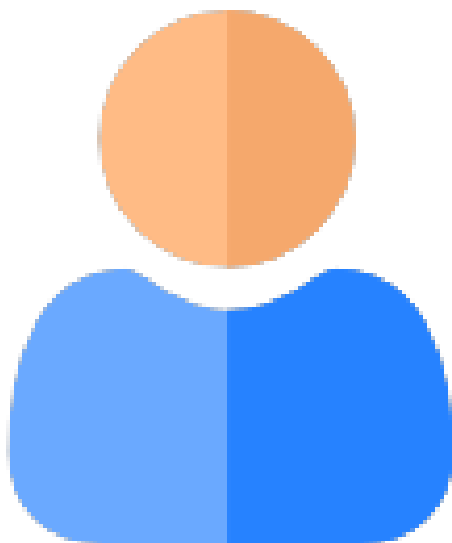
Due Date	Department	Subject	Period
07-02-2026	Income Tax	TDS/TCS Payment	Jan, 26
10-02-2026	GST	GSTR-7	Jan, 26
10-02-2026	GST	GSTR-8	Jan, 26
11-02-2026	GST	GSTR-1	Jan, 26
13-02-2026	GST	GSTR-6	Jan, 26
13-02-2026	GST	IFF	Jan, 26
13-02-2026	GST	GSTR-5	Jan, 26
14-02-2026	Income Tax	Issue of TDS Certificate- 194-IA, 194IB, 194M, 194S	Dec, 25
15-02-2026	Income Tax	Form 24G	Jan, 26
15-02-2026	Income Tax	Form no. 3BB	Jan, 26
15-02-2026	Income Tax	Issue of TDS Certificate - other than salary	Oct - Dec, 25
15-02-2026	PF & ESIC	PF & ESIC	Jan, 26
20-02-2026	GST	GSTR-5A	Jan, 26
20-02-2026	GST	GSTR-3B	Jan, 26
25-02-2026	GST	PMT-06	Jan, 26
02-03-2026	Income Tax	TDS Pay- 194-IA, 194-IB, 194M, 194S	Jan, 26
07-03-2026	Income Tax	TDS/TCS Payment	Feb, 26
10-03-2026	GST	GSTR-7	Feb, 26
10-03-2026	GST	GSTR-8	Feb, 26
11-03-2026	GST	GSTR-1	Feb, 26
13-03-2026	GST	GSTR-6	Feb, 26
13-03-2026	GST	IFF	Feb, 26

13-03-2026	GST	GSTR-5	Feb, 26
15-03-2026	Income Tax	Form 24G	Feb, 26
15-03-2026	Income Tax	Advance Tax	FY 25-26
15-03-2026	Income Tax	Advance Tax	4th Installment FY 25-26
15-03-2026	PF & ESIC	PF & ESIC	Feb, 26
17-03-2026	Income Tax	Issue of TDS Certificate- 194-IA, 194IB, 194M, 194S	Jan, 26
20-03-2026	GST	GSTR-5A	Feb, 26
20-03-2026	GST	GSTR-3B	Feb, 26
25-03-2026	GST	PMT-06	Feb, 26
30-03-2026	Income Tax	TDS Pay- 194-IA, 194-IB, 194M, 194S	Feb, 26
31-03-2026	Income Tax	Form No. 3CEAD	FY 24-25
31-03-2026	Income Tax	Equalisation Levy Deposit	Jan - Mar, 26
31-03-2026	Income Tax	Form 67	FY 24-25
31-03-2026	Income Tax	ITR-U	FY 21-22
31-03-2026	Income Tax	Last date of completing Tax-saving investments	FY 25-26
31-03-2026	GST	CMP-02	FY 26-27
31-03-2026	GST	LUT Filing	FY 26-27
31-03-2026	MCA	CSR-2	FY 25-26



DASA & CO

Our Profile



DASA & CO is a seasoned Tax Consultancy firm based in the city of Bangalore. Established three years ago, we have built a reputation for offering top-notch financial services.

Our mission is to provide unparalleled tax services with a focus on accuracy, timeliness, and client satisfaction. We strive to simplify complex tax regulations for our clients, ensuring compliance and maximizing savings. Our team is dedicated to staying abreast of the ever-evolving tax laws, offering proactive advice and tailored solutions.

Our vision is to be a leading tax firm renowned for delivering exceptional and innovative tax solutions. We aspire to empower our clients with comprehensive, personalized tax strategies, enhancing their financial health and compliance. We are committed to nurturing a professional environment where trust, integrity, and expertise are the cornerstones.

We specialize in both direct and indirect taxation. From income tax to GST, we offer a one-stop solution for all your tax-related

concerns.

Our dedicated team consists of 5 highly skilled professionals. Each member brings a unique set of skills, ensuring that we provide comprehensive solutions tailored to your needs.

Over the years, we have had the privilege of working with a diverse clientele. From small businesses to large corporations, we deliver exceptional service to all.

Our firm is not just about numbers; we believe in building long-term relationships. Trust and transparency are the cornerstones of our practice.

We understand the complexities of the financial landscape and are committed to staying ahead of the curve. Our team is always updated with the latest tax laws and regulations.

Efficiency and accuracy are our hallmarks. Our streamlined processes ensure that we deliver timely and accurate services, every time.

At DASA & CO, your financial well-being is our top priority. Partner with us and experience unparalleled financial solutions that drive your business forward.

Technology is at the core of our operations. We employ modern software tools and digital platforms to make our services more accessible and efficient for our clients.

Sustainability and social responsibility are important to us. We engage in ethical practices and are committed to contributing positively to our community.



Department	Heading	Service
Audit	Auditing Services	Our meticulous auditing practices help you maintain transparency and adhere to financial standards. Our meticulous auditing practices help you maintain transparency and adhere to financial standards.
GST	GST Compliance	From registration to return filing, we handle all your GST needs, ensuring full compliance with laws.
Income Tax	ITR Filing	Personal ITR Filing for individuals.
Income Tax	Tax Planning	Tax planning for businesses efficiently.
Income Tax	Income Tax Consultancy	We offer expert advice on income tax planning and filing, helping you optimize your tax liabilities.
Personal Finance	Financial Planning	We provide personalized financial planning services aimed at achieving your long-term financial goals.
Business Support Services	Payroll Management	Outsource your payroll to us and focus on your core business activities, while we handle the complexities.
Accounting	Accounting	Monthly Outsourcing of your accounts

We hope you found this edition of our newsletter informative and valuable. If you have any further questions or inquiries, please don't hesitate to reach out to us at the following contact details. Your feedback and inquiries are always welcome. Thank you for trusting us to be your source of knowledge and insights.



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