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## Tax Trends

Top Tax News This Week

## Tax consultants seek extension of deadline for disposal of pending VAT-era appeals

Tax consultants and trade representatives in Madhya Pradesh have requested the state commercial tax department to extend the deadline for disposal of pending pre-GST appeals from 31 March 2026 to 31 March 2027, citing heavy workload and the complexity of approximately 3,500 pending cases. These appeals, pertaining to legacy laws such as VAT, CST, Entry Tax, and other state levies, require detailed examination and hearings. The industry has highlighted that increased GST-related compliance obligations have limited the ability of taxpayers and professionals to focus on legacy matters, and an extension would ensure fair adjudication while upholding principles of natural justice and protecting revenue interests.





## No more double GST while filing appeals: GSTN fixes issue with new GST DRC-03A form; what taxpayers should know

The Goods and Services Tax Network (GSTN) has addressed a long-standing issue faced by taxpayers wherein payments made through Form GST DRC-03 were not linked to specific Demand IDs, resulting in such payments being ignored while calculating the mandatory pre-deposit for filing appeals. This often led to duplication of tax payments. To resolve this, GSTN has introduced Form GST DRC-03A, enabling proper linkage of payments with demand orders and thereby preventing double payment while filing appeals.

## GST cuts cooled prices of durables, not of essentials: NIPFP Study

A recent working paper by the National Institute of Public Finance and Policy highlights that reductions in Goods and Services Tax (GST) rates last year have not led to lower consumer prices for several frequently consumed items, based on analysis of the revised all-India Consumer Price Index. The study notes that while prices of durable goods such as motor vehicles, bicycles, and air conditioners declined indicating effective transmission in high-value segments and prices of food, household goods, & personal care items increased in the months following the rate cuts. This suggests incomplete pass-through of GST benefits in essential consumption categories, with expected price moderation yet to materialize.





## Iran war begins to bomb the GST bonanza. What can happen?

Recent GST rate rationalisation had begun to yield intended benefits such as lower prices, improved affordability, and stronger demand across sectors like automobiles and FMCG. However, escalating geopolitical tensions, particularly the Iran conflict, are now posing risks to these gains. Rising crude-linked input costs, supply chain disruptions, and increased freight rates are compelling businesses to reassess pricing and production strategies, potentially impacting demand momentum. Despite these challenges, the overall consumption outlook remains relatively resilient.

## New GST structure for TER could impact SEBI-regulated small MF distributors as new rules take effect April 1

In December 2025, the Securities and Exchange Board of India approved a revamp of the Total Expense Ratio (TER) framework to enhance transparency in mutual fund costs. The revised framework, described as a balanced approach by SEBI Chair Tuhin Kanta Pandey, is set to come into effect from April 1 and aims to clearly distinguish fund management expenses from other charges, thereby improving cost visibility for investors. While the move is expected to benefit investors, it may impact the commission structures of mutual fund distributors, with smaller players likely to face financial and operational challenges. Industry bodies such as the Foundation of Independent Financial Associates have raised concerns, indicating that the changes may disproportionately affect smaller distributors and could require further review.



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