

**June
2026**

NEWSLETTER TAX

- Income Tax
- Goods and Services Tax



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Income Tax

1. Guidelines for Compulsory Selection of Returns for Complete Scrutiny – FY 2026-27

CBDT Guidelines Dated 08.06.2026

Vide these guidelines, CBDT has prescribed the categories of income tax returns that will be **mandatorily selected for complete scrutiny during FY 2026-27**, applicable to returns filed during **FY 2025-26**.

Categories Selected for Compulsory Scrutiny:

- **Survey Cases (CS-01):** Cases identified by the Investigation Wing, where a survey under Section 133A (excluding Section 133A(2A)) was conducted on or after 1 April 2024, will be selected by the Directorate of Income-tax (Systems) for compulsory scrutiny
- **Search and Requisition Cases (CS-02):** Cases involving search under Section 132 or requisition under Section 132A initiated on or after 1 April 2024; searches on or after 1 September 2024 to be scrutinized under block assessment provisions.
- **Reassessment Cases (CS-03):** Search/survey-related reassessment cases where notice under Section 148 has been issued, and other reassessment cases are pending completion by 31 March 2027. Jurisdictional AOs must upload supporting documents for the reassessment notice.
- **Trusts/Institutions with Cancelled or Denied Registrations (CS-04):** Entities denied registration/approval under Sections 12A, 12AB, 35(1)(ii), 35(1)(ia), 35(1)(iii) and 10(23C), or whose registration was cancelled/withdrawn on or before 31 March 2025, but which continue to claim exemption/deduction in ITR-7. Cases reversed by appellate authorities are excluded.
- **Recurring Additions (CS-05):** Cases involving additions on a recurring issue of fact or law exceeding ₹50 lakh (in metro charges – Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune) or ₹20 lakh (non-metro), where such additions are final or upheld in favour of Revenue.
- **Specific Tax Evasion Information (CS-06):** Cases backed by specific information of tax evasion from law enforcement, intelligence, regulatory, or investigation agencies, where the return has been filed. Returns selected solely on the basis of data from NMS (Non-filers Monitoring System), AIS (Annual Information Statement), SFT (Statement of Financial Transactions), or CPC-TDS (Centralized Processing Cell – TDS) will not automatically qualify.

Procedural Timelines

Lists for CS-05 and CS-06 cases to be forwarded by jurisdictional AOs to the Directorate of Income-tax (Systems) by **15 June 2026**. International Taxation and Central Charges cases may also be selected with prior administrative approval and will remain with their respective jurisdiction. The Board has reiterated that the last date for service of notice under **Section 143(2)** for returns filed during FY 2025-26 is **30 June 2026**.

Practical Impact

Taxpayers and trusts falling within the above categories, particularly those with pending reassessment proceedings, cancelled exemption registrations, or recurring high-value additions, should keep supporting documentation ready to respond promptly to scrutiny notices once issued.

Note: All Section references in the guidelines are of the Income-tax Act, 1961.

[CBDT Scrutiny Guidelines](#)

Goods and Service Tax

1. Extension of E-Way Bill Functionalities

CBIC

Advisory Dated 09.06.2026

Vide this advisory, GSTN has extended the implementation date for two **new E-Way Bill functionalities** from **15 June 2026** to **1 August 2026** following requests from trade and industry for additional time to make necessary system and process changes.

New E-Way Bill functionalities:

- **Mandatory capture of "Ship To GSTIN"** in **Bill-To/Ship-To** transactions.
- **Voluntary Closure of E-Way Bill** functionality.

Reason for Extension

The extension has been granted to enable taxpayers and ecosystem participants to:

- Complete ERP and API modifications.
- Conduct system testing.
- Update master data.
- Ensure operational readiness for the new functionalities.

[E-Way Bill Extension](#)

2. Advisory on e-Invoice API and e-Way Bill by IRN API Changes.

(API: Application Programming Interface; IRN: Invoice Reference Number)

CBIC

Advisory Dated 17.06.2026

Vide this advisory, the GSTN has made changes in the API and system required for the implementation of **mandatory capture of Ship-to GSTIN** and the **Voluntary Closure of E-Way Bill** functionality.

These changes will be effective from **1 August 2026**.

Key Changes:

- **Mandatory Ship-to GSTIN:** Where an e-Way Bill is generated along with an e-Invoice or through IRN, **Ship-to GSTIN becomes mandatory** if Ship-to details are provided. If the consignee is unregistered, "**URP**" can be entered instead.
- **e-Way Bill by IRN API:** The API has been updated to add a new mandatory **GSTIN** field under **ExpShipDtIs**, while **Trade Name (TrdNm)** has been introduced as an optional field. ERP/API users must update their systems accordingly.
- **System Validations Introduced-** The system will: -
 - Accept only a valid Ship-to GSTIN.

- Reject invalid GSTINs.
- Not allow the **Bill-to GSTIN and Ship-to GSTIN to be the same** in Bill-to/Ship-to transactions.
- Validate State Code and PIN Code consistency.

➤ **Export, B2B and SEZ Transactions:**

- In **Export** cases, Ship details can be modified while generating the e-Way Bill using IRN, where no domestic registered consignee exists, "URP" (Unregistered Person) may be entered in the Ship-to GSTIN field.
- In **B2B and SEZ** transactions, Ship details entered during IRN generation **cannot be changed** while generating the e-Way Bill.

➤ **Voluntary Closure of E-Way Bill:** A new facility allows the **supplier, recipient, transporter or authorised driver** to voluntarily close an e-Way Bill after successful delivery. Closure can be done EWB-wise or date-wise through the portal or API.

➤ **EWB Closure API:** An API has been introduced requiring **E-Way Bill Number, Closure Date and Remarks** to enable ERP/API-based closure.

➤ **Current Limitations:**

- Mobile number capture for driver-based closure is **not yet available through APIs** (available only through the portal).
- No API is currently available to retrieve closed E-Way Bills.
- A separate "**Closed**" status will be introduced later; until then, existing statuses will continue. Post-closure actions such as vehicle update and validity extension will remain available during the transition period.

[E-Way Bill IRN API Changes](#)

3. Clarification in jurisdictional authority responsible for GST proceedings

CBIC

Circular No. 255/01/2026 Dated 25.06.2026

Vide this circular, CBIC has clarified the **jurisdictional authority responsible for GST proceedings when a taxpayer changes their Principal Place of Business and is transferred from one GST jurisdiction to another**. It aims to ensure continuity of proceedings and avoid jurisdictional disputes.

Key Clarifications

- **Validity of Earlier Proceedings:** Any action (such as investigation, audit, issuance of show cause notice, adjudication order, review, appeal, etc.) validly initiated by the **transferor jurisdictional officer before the taxpayer's migration remains legally valid** even after the taxpayer shifts to another jurisdiction.
- **Role of the Transferee Officer:** After the taxpayer is transferred, the **transferee jurisdictional officer** becomes responsible for continuing and **completing all pending proceedings** from the stage at which they were left, including implementation of earlier orders, appeals and consequential actions.

- **Restriction on Transferor Officer:** Once the taxpayer has migrated, the **transferor jurisdictional officer cannot initiate any fresh proceedings**. If any issue comes to their notice, it must be communicated to the transferee jurisdiction for appropriate action.
- **Legal Principle:** Jurisdiction is determined based on **who had jurisdiction on the date an action was initiated**. A subsequent change in jurisdiction does not invalidate actions already taken. However, all future proceedings must be handled by the officer currently having jurisdiction.

Practical Impact

- Ensures that GST proceedings remain valid despite a change in the taxpayer's jurisdiction.
- Prevents duplication of proceedings or disputes over jurisdiction.
- Provides clarity on the responsibilities of transferor and transferee GST authorities, ensuring seamless continuation of investigations, adjudication, recovery and appellate proceedings.

[Circular No. 255/01/2026](#)

Disclaimer:

This is not a complete listing of all circulars/notifications issued during the month. Instead, it is only a listing of some of the circulars/notifications that we considered important.



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