

THE WORLDONOMICS TIMES



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THE WORLDONOMICS TIMES

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From the Editor's Desk

Dear Esteemed Readers,

It is with great pleasure that I welcome you to another thoughtful and knowledge-driven edition of The Worldonomics Times. In a rapidly evolving global economy, access to credible insights and meaningful professional dialogue has become more important than ever. Our objective through this publication has always been to create a platform where professionals, entrepreneurs, academicians, and policy thinkers can come together to share perspectives that contribute to informed decision-making and sustainable economic development.

The year 2026 presents both opportunities and challenges for economies across the world. Global markets continue to witness fluctuations influenced by geopolitical developments, changing energy prices, technological disruption, and evolving trade dynamics. Businesses and financial institutions must therefore operate in an environment that demands agility, strategic planning, and a forward-looking mindset. In such times, knowledge becomes the most powerful tool for navigating uncertainty and identifying emerging opportunities.

India continues to stand out as one of the most promising growth engines in the global economy. With strong domestic demand, progressive policy reforms, and an expanding digital ecosystem, the country is witnessing significant transformation across sectors. Government initiatives aimed at strengthening infrastructure, empowering MSMEs, encouraging startups, and promoting financial inclusion are creating a favorable environment for entrepreneurship and innovation. These initiatives are not only contributing to economic growth but are also generating employment and fostering inclusive development.

Professionals today play a far more dynamic role than ever before. Chartered Accountants, Cost and Management Accountants, Company Secretaries, and other finance professionals are no longer limited to traditional compliance responsibilities. They are increasingly becoming strategic partners in organizational growth. Their expertise in financial planning, corporate governance, risk management, and regulatory compliance helps businesses build transparency, accountability, and long-term sustainability.

Another important aspect shaping the future of professional services is technology. Artificial intelligence, data analytics, digital reporting systems, and automation are redefining how businesses operate and how professionals deliver value. Rather than replacing human expertise, these technologies are empowering professionals to focus on higher-level analysis, strategic advisory, and innovation. The integration of technology with professional judgment will define the next phase of growth for financial and business leaders.

This edition of The Worldonomics Times brings together a diverse range of articles covering important developments in taxation, market outlook, corporate governance, MSME support mechanisms, and emerging economic policies. Our contributors have shared their insights with the aim of enriching professional knowledge and encouraging constructive discussion among readers. Each article reflects the spirit of learning and the commitment to excellence that defines the professional community.

At the International Navodaya Chamber of Commerce (INCOCC), we strongly believe that collaboration and knowledge-sharing are the foundation of professional and entrepreneurial progress. Through our various initiatives, seminars, youth engagement programs, and policy dialogues, we strive to create opportunities for professionals and young leaders to connect, exchange ideas, and contribute to nation-building. The strength of any professional ecosystem lies in its ability to nurture talent, encourage innovation, and promote ethical leadership.

I would like to extend my sincere appreciation to our editorial board members, contributors, advisors, and readers who continuously support and strengthen this platform. Your participation and encouragement inspire us to keep improving the quality and reach of The Worldonomics Times.

As we move forward, let us remain committed to learning, collaboration, and responsible leadership. By working together and sharing knowledge, we can contribute meaningfully to economic growth, professional excellence, and a more sustainable future.



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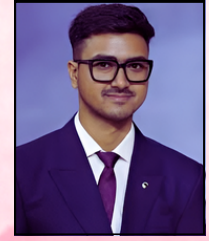
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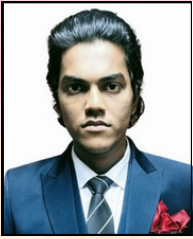
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Market Outlook for 2026

As we move into the middle of 2026, global markets find themselves at a critical point with a complex geopolitical scenario, volatile crude oil prices, and shifting sector dynamics. The Nifty 50 closed at 22,819, down 2% as of March 27, 2026. The Brent crude oil spot price has increased following the military action in the Middle East, settling at \$104 per barrel on March 27, up about 71% from the beginning of the year and the highest since September 2023.

The Geopolitical and War Scenario

The current market is rooted in the escalating Middle East tensions. Crude oil prices have risen as petroleum shipments through the Strait of Hormuz have fallen, and some Middle East oil production has been shut. The situation has intensified to the point where IEA Member countries have agreed on 11 March to make 400 mb of oil from their emergency reserves available to the market. This intervention is to help the severity of the supply disruption and its potential to slowdown economic recovery globally.

The geopolitical risk premium has become impossible to ignore so much so that the Brent crude forecast for 2026 are averaging ~\$85.

The Crude Oil Back & Forth

Oil prices could remain higher through at least mid to late-2026, with expectations of a higher price floor above at least \$200 per barrel. The divergence between pre-crisis bearish forecasts and current elevated prices shows the markets did not price in oil disruption as a near term risk.

Effects Across Sectors

Crude oil prices are creating winners and losers across the market with Oil marketing companies and Airlines stocks becoming the most volatile because of fuel shortages. Another loser this year was the IT sector down 22% so far this year creating a clear downtrend from the tech-dominated years of 2023-2025.

With IT this sector rotation shows the AI fatigue has set in, with investors growing tired of the overcrowded trade in AI related companies, which are down 8.8% so far in 2026 with The S&P 500 IT Index down 9.8%.

Meanwhile, higher energy costs are creating headwinds for transportation, manufacturing, and consumer-dependent sectors, as rising input costs compress margins and reduce discretionary spending power.

In the IT sector it is advisable to be either selective or completely avoid the sector as the fear still remains surrounding the IT story for this year.

Pharma Sector

The pharmaceutical sector so far was the biggest surprise in 2026 with the introduction of biosimilars and semaglutide a lot of pharma stocks like Aurobindo Pharma, Lupin, Torrent Pharma became gainers in a market that is very unstable.

About 10 Indian pharmaceutical companies have launched branded generic versions of semaglutide

following the expiry of the innovator's patent on March 20. The semaglutide industry has given India a jumpstart and set up a lot of these companies venturing into Ozempic type drugs at way cheaper costs than its US counterparts. Most companies have priced the disposable pen at ₹4,200-5,200 per month for diabetes treatment, while Alkem has priced its disposable pen at roughly ₹1,800 per month. The introduction of these in India will also give way for a lot of medical tourism in the diabetes industry pushing the pharma sector up.

The outlook for this sector remains positive and we can see a good of 6-8% return in this sector this year.

Sectors Under Pressure

Beyond technology, several sectors are expected to remain under pressure throughout 2026. Consumer discretionary and QSR companies face a squeeze from higher energy costs and consistent inflation, which continue to erode household purchasing power.

SaaS is a particularly vulnerable segments and became the top market losers so far this year. The sector's reliance on recurring revenue models is being tested as B2B customers become more selective about tech spending. And even though India is not a direct beneficiary of the AI segment it still shows signs of weakness whenever the US IT sector struggles which shows sentiment vulnerability. With now more and more deals between big Indian IT firms and big US IT giants that sentiment alert is only getting stronger.

FII & DII Flows

FII sold Indian stocks worth ₹12 Bn in March FY26, while Domestic institutional investors cushioned the impact. This aggressive domestic buying during FII outflow has created liquidity and has prevented long corrections in the market.

Where Are We Headed?

The market is expected to remain sentiment based with volatility and sector rotation with Nifty 50 testing the range of 21,750-22,300 in the near term.

The market is expected to be range-bound and investors can look to minimize their losses instead of hoping for mid-high-teens returns. The overall downside bias remains intact unless the index posts a decisive close above the 23,500.



Dr. Ravi Singh

Dr. Ravi Singh is an experienced professional with over two decades of expertise in statistical analysis and financial markets. He is currently serving as Chief Research Officer (CRO) at MasterTrust. He has held key positions at leading firms like Religare Broking, Share India Securities, Karvy Stock Broking, and SMC Global Securities, and is skilled in investment planning, statistical analysis, and developing innovative strategies for portfolio and fund management.

Analysis of Notifications & Circulars – March 2026

Income Tax, GST, Central Excise, Custom Duty, DGFT, SEBI, MCA, IBBI, RBI
(Click the Link for Notification/ Circular as issued)



A. Income Tax

The Finance Act 2026: The Finance Act, 2026 introduces several amendments to Income Tax Act, with the objective of simplifying compliance, rationalising penalties, promoting investment, and furthering the process of decriminalisation of tax offences. It has been notified on 30th March 2026. . The key provisions/ amendments are summarised in a separate article link provided as under.

(Link: [Analysis of Direct Tax Amendments – Fin Act 2026](#)) (Finance Act 2026)

Amendment to Rule 128 to Exclude Pre-2017 Investments from Anti-Abuse Provisions: The amendment clarifies the tax treatment of income arising from investments made before 1st April 2017, that it is excluded from the applicability of Chapter XI provisions. While Anti-Abuse provisions will apply to all arrangements, regardless of when they were entered into, if the tax benefit arises on or after 1st April 2017, an exception is carved out for income derived from the transfer of investments made prior to 1st April 2017, which remains outside the scope of these anti-abuse provisions.

(Link: [Income Tax Notification 55/2026 Dated 31/03/2026](#))

Amendment to Rule 10U to Protect Pre-2017 Investments from GAAR Applicability: The amendment clarifies the applicability of Chapter X-A (General Anti Avoidance Rules – GAAR) concerning investments made before 1st April 2017, that any income arising from the transfer of such pre-2017 investments shall be excluded from the ambit of GAAR. While GAAR provisions will apply to tax benefits arising on or after 1st April 2017 irrespective of when the arrangement was entered into, an explicit exception has been carved out for income derived from the transfer of grandfathered investments.

(Link: [Income Tax Notification 54/2026 Dated 31/03/2026](#))

Exemption to Andhra Pradesh Pollution Control Board: Rajasthan Electricity Regulatory Commission, a Commission constituted under the Electricity Regulatory Commissions Act 1998, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 53/2026 Dated 31/03/2026](#))

CBDT notifies ITR-U form Form for AY 2026–27: The amendment inserts a new Form ITR-U in Appendix II of the Income Tax Rules 1962. ITR-U is used for filing updated returns, enabling taxpayers to rectify omissions or errors in previously filed returns.

(Link: [Income Tax Notification 52/2026 Dated 30/03/2026](#))

CBDT notifies ITR-V Form for AY 2026–27: The amendment substitutes the existing Form ITR-V in Appendix II of the Income Tax Rules 1962. The ITR-V form is the verification form used for electronically filed returns without digital signatures.

(Link: [Income Tax Notification 51/2026 Dated 30/03/2026](#))

CBDT notifies Revised ITR-7 Form for AY 2026–27: The amendment substitutes the existing Form ITR-7 in Appendix II of the Income Tax Rules, 1962. The ITR-7 form is used by persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only.

(Link: [Income Tax Notification 50/2026 Dated 30/03/2026](#))

CBDT notifies Revised ITR-6 Form for AY 2026–27: The amendment substitutes a revised Form ITR-6 in Appendix II of the Income Tax Rules, 1962. The Form ITR-6 is used by companies other than those claiming exemption under section 11 of Income Tax Act.

(Link: [Income Tax Notification 49/2026 Dated 30/03/2026](#))

CBDT notifies Revised ITR-5 for AY 2026–27: The amendment substitutes Form ITR-5 in Appendix-II of the Income Tax Rules 1962. The Form ITR-5 for is used by persons other than (i) individual, (ii) HUF (iii) Company and (iv) Persons filing For ITR-7.

(Link: [Income Tax Notification 48/2026 Dated 30/03/2026](#))

CBDT notifies Revised ITR-3 for AY 2026–27: The amendment substitutes the existing Form ITR-3 in Appendix II of the Income Tax Rules 1962. The Form ITR-3 is used by individuals and HUFs having income from profits and gains of business or profession.

(Link: [Income Tax Notification 47/2026 Dated 30/03/2026](#))

CBDT notifies revised ITR-2 for AY 2026-27: The amendment substitutes the existing Form ITR-2 in Appendix II of the Income Tax Rules 1962. The Form ITR-2 is used by individuals and Hindu Undivided Families (HUFs) not having income from business or profession.

[\(Link: Income Tax Notification 46/2026 Dated 30/03/2026\)](#)

CBDT notifies ITR-1 SAHAJ and ITR-4 SUGAM for AY 2026-27: The amendment substitutes the existing Form ITR-1 SAHAJ and ITR-4 SUGAM in Appendix II of Income Tax Rules 1962.

-- ITR-1 is prescribed for individuals who are residents (other than not ordinarily resident) with total income up to Rs 50 lakh. Eligible income sources include salary/pension, income from up to two house properties, income from other sources such as interest, long-term capital gains under section 112A up to Rs 1.25 lakh, and agricultural income up to Rs 5,000. However, it excludes individuals who are directors in a company, have invested in unlisted equity shares, have deferred tax on ESOPs, or hold foreign assets or financial interests outside India.

-- ITR-4 applies to resident individuals, Hindu Undivided Families (HUFs), and firms (other than LLPs) with total income up to Rs 50 lakh. It is meant for those having income from business or profession computed under presumptive taxation schemes (sections 44AD, 44ADA, or 44AE), along with eligible salary, house property, and other income, and long-term capital gains under section 112A up to Rs 1.25 lakh. It excludes persons who are company directors, hold unlisted shares, have deferred ESOP taxation, have foreign assets, or have agricultural income exceeding Rs 5,000.

[\(Link: Income Tax Notification 45/2026 Dated 30/03/2026\)](#)

Exemptions to Chandigarh Building and Other Construction Workers Welfare Board: Chandigarh Building and Other Construction Workers Welfare Board, a Board established by the Chandigarh Administration, has been notified under section 10(46) for exemption on its income arising from amount received as Cess collected under Cess Act, Contributions paid by the beneficiaries, and Interest on bank deposits.

[\(Link: Income Tax Notification 44/2026 Dated 30/03/2026\)](#)

Indian Rubber Materials Research Institute, Thane notified under section 35(1)(ii) for Scientific Research: It notifies Indian Rubber Materials Research Institute, Thane, Maharashtra for 'Scientific Research' under the category of 'Research Association' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

[\(Link: Income Tax Notification 43/2026 Dated 30/03/2026\)](#)

Indian Institute of Technology (IIT) Bombay notified under section 35(1)(ii) for Scientific Research: It notifies Indian Institute of Technology (IIT) Bombay, for 'Scientific Research' under the category of 'University, college or other institution' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

[\(Link: Income Tax Notification 42/2026 Dated 30/03/2026\)](#)

Exemption to Karnataka Industrial Areas Development Board: Karnataka Industrial Areas Development Board, a board constituted under the Karnataka Industrial Areas Development Act, 1966, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

[\(Link: Income Tax Notification 41/2026 Dated 30/03/2026\)](#)



Indian Institute of Technology (IIT) Bhilai notified under section 35(1)(ii) for Scientific Research: It notifies Indian Institute of Technology (IIT) Bhilai, for 'Scientific Research' under the category of 'University, college or other institution' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

[\(Link: Income Tax Notification 40/2026 Dated 30/03/2026\)](#)

CBDT notifies amended India-Brazil Tax Treaty: The notification amends the treaty by incorporating anti-abuse measures, including a revised preamble, Principal Purpose Test, and Limitation of Benefits provisions to curb treaty shopping and tax evasion. It expands definitions (e.g., resident, permanent establishment), introduces rules for service PEs, and refines taxation of dividends, interest, royalties, and fees for technical services with specified withholding tax caps. It also updates provisions on capital gains, employment income, and dispute resolution.

[\(Link: Income Tax Notification 39/2026 Dated 30/03/2026\)](#)

Exemptions to Odisha PVTG Empowerment & Livelihoods Improvement Programme: Odisha PVTG Empowerment and Livelihoods Improvement Programme (OPELIP), an Authority constituted by the State Government of Odisha, has been notified under section 10(46) for exemption on its income arising from amount received as Grants from state government and interest on bank deposits.

(Link: [Income Tax Notification 38/2026 Dated 27/03/2026](#))

Exemptions to District Legal Services Authority, Panipat: District Legal Services Authority, Panipat, an Authority constituted by Government of Haryana for every District under Legal Services Authorities Act 1987, has been notified under section 10(46) for exemption on its income arising from amount received as Grants from central or state government, Grants from central (NLSA) and state authority, order of court, fees and interest on bank deposits.

(Link: [Income Tax Notification 37/2026 Dated 27/03/2026](#))

Exemption to Andhra Pradesh Pollution Control Board: Andhra Pradesh Pollution Control Board, a Board established by the State Government of Andhra Pradesh under the Water (Prevention and Control of Pollution) Act 1974, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 36/2026 Dated 27/03/2026](#))



Exemptions to Goa Board of Secondary and Higher Secondary Education: Goa Board of Secondary and Higher Secondary Education, Goa, a Board constituted by the Goa, Daman and Diu Secondary and Higher Secondary Education Board Act 1975, has been notified under section 10(46) for exemption on its income arising from amount received as Grants from central or state government, Fees and interest on bank deposits.

(Link: [Income Tax Notification 35/2026 Dated 27/03/2026](#))

Exemption to Improvement Trust, Sangrur: Improvement Trust, Sangrur, a trust constituted under The Punjab Town Improvement Act 1922, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 34/2026 Dated 27/03/2026](#))

Exemption to Uttarakhand Avas and Nagar Vikas Pradhikaran: Uttarakhand Avas and Nagar Vikas Pradhikaran, an authority constituted under the Uttarakhand Urban and Country Planning and Development Act 2013, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 33/2026 Dated 27/03/2026](#))

Exemptions to Visakhapatnam Special Economic Zone Authority: Visakhapatnam Special Economic Zone Authority, an authority constituted by the Central Government, has been notified under section 10(46) for exemption on its income arising from amount received as Lease rent, Receipts from permit fee, Allotment fee, Auction amount of vacant plots/ building, Fees and interest on bank deposits.

(Link: [Income Tax Notification 32/2026 Dated 25/03/2026](#))

Exemption to Varanasi Development Authority: Varanasi Development Authority, an authority constituted under the Uttar Pradesh Urban Planning and Development Act, 1973, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 31/2026 Dated 25/03/2026](#))

Exemption to Patiala Urban Planning And Development Authority (PDA): Patiala Urban Planning And Development Authority (PDA), an authority constituted under the Punjab Regional and Town Planning and Development Act 1995, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 30/2026 Dated 25/03/2026](#))

Exemption to Haryana Shehri Vikas Pradhikaran: Haryana Urban Development Authority (now known as Haryana Shehri Vikas Pradhikaran), an authority set up under the Haryana Urban Development Authority Act 1977, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 29/2026 Dated 25/03/2026](#))

Exemptions to District Legal Service Authority, Karnal: District Legal Service Authority, Karnal, an Authority constituted by Government of Haryana for every District under Legal Services Authorities Act 1987, has been notified under section 10(46) for exemption on its income arising from amount received as Grants from central or state government,

Grants from central (NLSA) and state authority, order of court, fees and interest on bank deposits.

(Link: [Income Tax Notification 28/2026 Dated 24/03/2026](#))

Exemptions to CJM cum District Legal Services Authority, Fatehabad: CJM cum District Legal Services Authority, Fatehabad, an Authority constituted by Government of Haryana for every District under Legal Services Authorities Act 1987, has been notified under section 10(46) for exemption on its income arising from amount received as Grants from central or state government, Grants from central (NLSA) and state authority, order of court, fees and interest on bank deposits.

(Link: [Income Tax Notification 27/2026 Dated 24/03/2026](#))

Exemption to Shree Ayodhya Jee Teerth Vikas Parishad: Shree Ayodhya Jee Teerth Vikas Parishad, a body constituted by the Uttar Pradesh Shree Ayodhya Jee Teerth Vikas Parishad Act 2023, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 26/2026 Dated 24/03/2026](#))

Exemption to Urban Improvement Trust, Sikar: Urban Improvement Trust, Sikar, a trust constituted under the Rajasthan Urban Improvement Act 1959, has been notified under section 10(46A) for exemption on its income, provided the authority continues to operate for specified purpose under section 10(46A)(a) of Income Tax Act.

(Link: [Income Tax Notification 25/2026 Dated 24/03/2026](#))

Tea Research Association, Kolkata, West Bengal notified under section 35(1)(ii) for Scientific Research: It notifies Tea Research Association, Kolkata, West Bengal under the category of 'Research Association' for 'Scientific Research' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

(Link: [Income Tax Notification 24/2026 Dated 20/03/2026](#))

The Ahmedabad University, Ahmedabad, Gujarat notified under section 35(1)(ii) for Scientific Research: It notifies The Ahmedabad University, Ahmedabad, Gujarat for 'Scientific Research' under the category of 'University, college or other institution' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

(Link: [Income Tax Notification 23/2026 Dated 20/03/2026](#))

Income Tax Rules 2026 and Income Tax Forms Notified: The rules effective from 1st April 2026, provide the procedural framework for implementation of Income Tax Act, 2025,

including valuation methods, reporting requirements, administrative procedures, and compliance mechanisms. The rules also notify various compliance forms.

(Link: [Income Tax Notification 22/2026 Dated 20/03/2026](#))

GSL Medical College and General Hospital, Rajahmundry, Andhra Pradesh notified under section 35(1)(ii) for Scientific Research: It notifies GSL Medical College and General Hospital under the aegis of GSL TRUST, Rajahmundry, Andhra Pradesh, for 'Scientific Research' under the category of 'University, college or other institution' for the purposes section 35(1)(ii) of the Income-tax Act, read with rules 5C and 5E of the Income-tax Rules. This section allows for deduction equal to one and half times while computing taxes for expenses relating to scientific research.

(Link: [Income Tax Notification 21/2026 Dated 18/03/2026](#))



Corrigendum to correct title of Income-tax Amendment Rules: The corrigendum amends notification 19/2026, G.S.R. 158(E) dated 5th March 2026, which amended Income Tax Rules 1962. The words 'Income-tax (Amendment) Rules, 2026' has been replaced with 'Income-tax (First Amendment) Rules, 2026'.

(Link: [Income Tax Notification 20/2026 Dated 16/03/2026](#))

Amendments in Income Tax Rules & Forms to include Crypto Assets and Digital Currency Reporting: The Rule 114F has been expanded to include provisions relating to central bank digital currencies, specified electronic money products, and relevant crypto assets. Depository accounts are now defined to include accounts representing electronic money products or central bank digital currencies held for customers. It recognizes "qualified non-profit entities" and prescribes conditions for their classification. Further, financial assets for reporting purposes may include interests in relevant crypto-assets.

-- Rule 114G has been amended to strengthen reporting obligations of financial institutions. Reporting financial institutions must now maintain and report additional information, including whether valid self-certification has been provided, whether an account is a joint account and the number of joint account holders, and the role through which a person qualifies as a controlling person of an entity. It must also report the type of account and whether it is pre-existing or new.

-- Rule 114H has been amended to revise due diligence procedures, define timelines for identifying reportable accounts, and allow use of pre-existing account procedures where self-certification cannot be obtained immediately.

(Link: [Income Tax Notification 19/2026 Dated 05/03/2026](#))

Mandatory Unique Identification Number (UIN) System introduced to Track Non deduction of TDS Declarations under Form 121: The notification mandates that payers assign a 26-character UIN to each declaration received from payees seeking non-deduction of tax, comprising a sequence number, tax year, and payer's TAN. It requires digitization of paper declarations and maintenance of a continuous sequence, reset annually. The payers also must furnish Part B of Form No. 121 quarterly on the e-filing portal, irrespective of whether tax has been deducted.

(Link: [Income Tax Notification 01/2026 CPC\(TDS\) Dated 28/03/2026](#))



Referencing by Document Identification Number (DIN): The circular mandates that all communications such as notices, orders, summons, and letters issued to taxpayers must carry a DIN or be appropriately referenced. DIN may be included directly, via attachment, or through electronic correspondence, and need not appear on every page. Exceptions are permitted in specific situations like technical issues or lack of PAN, subject to recording reasons and obtaining post-facto approval within 15 days. Such communications must also be uploaded with DIN subsequently.

(Link: [Income Tax Circular 04/2026 Dated 31/03/2026](#))

Sovereign Wealth Fund Tax exemption Rules & Procedure: The circular prescribes the procedure for notification and compliance of Sovereign Wealth Funds (SWFs) under Schedule V of the Income Tax Act 2025. It facilitates tax exemption benefits for specified income such as dividends, interest, and capital gains arising from investments in notified infrastructure sectors, subject to conditions like investment period and minimum holding of three years. It introduces Form I for SWFs seeking notification and Form II for quarterly reporting of investments.

(Link: [Income Tax Circular 03/2026 Dated 30/03/2026](#))

Extension of timeline for issuance of TDS certificate for the quarter ending 31st December 2025: CBDT (Order under section 119) has extended the due date for issuance of TDS certificate under section 203 of the Act read with rule 31 of the Rules for the quarter ending December 2025 to 31st March, 2026. TDS certificate issued within the extended period shall be treated as having been issued within the prescribed time.

(Link: [Income Tax Circular 02/2026 Dated 25/03/2026](#))

Condonation of delay Form 10A filing by Commissioner: The circular clarifies the authority to condone delay in filing Form 10A for registration under section 12A(1)(ac)(i) of the Income Tax Act 1961. The existing provisions empower the Principal Commissioner or Commissioner to condone delays where reasonable cause exists. However, the DIT (CPC), Bengaluru, is the statutory authority for processing such registrations under Rule 17A. The Board clarified that the jurisdictional Principal Commissioner or Commissioner alone has the power to condone delays.

(Link: [Income Tax Circular 01/2026 Dated 23/03/2026](#))

Indian Institute For Human Settlements, Bangalore gets Income Tax approval for scientific research: The Principal Chief Commissioner of Income Tax (Exemptions), has approved Indian Institute For Human Settlements, Bangalore, Karnataka, for 'Scientific Research' under section 35(1)(iia) read with rule 5F of Income Tax, for a period of five years, starting from the AY 2026-27. It will enable the Institute to receive certain benefits, related to its scientific research activities.

(Link: [Income Tax PCCI \(Exemptions\) Notification 05/2025 Dated 23/03/2026](#))

Identification of Benami, Foreign Asset and TDS cases for Action: The instructions relates to high risk cases identified under the Board's Risk Management Strategy (Cycle-6), categorized into suspected benami transactions, undisclosed foreign assets/income, and TDS compliance issues. These cases have been uploaded on the 'Verification' module of the Insight portal. Suspected benami and foreign asset cases are allocated to Investigation wings for action. High-risk TDS cases have been allocated to the TDS wing for verification based on jurisdiction.

(Link: [Income Tax Insight Instructions 87/2026 Dated 23/03/2026](#))

Identification of High Risk CRIU/VRU PAN Case and Non-PAN Cases: The instructions relates to high risk cases identified under the Board's approved Risk Management Strategy (Cycle-6). These cases have been uploaded on the 'Verification' module of the Insight portal and categorized into high-risk PAN and non-PAN cases. Jurisdictional Assessing Officers (JAOs) and designated authorities have been assigned these cases for further action.

(Link: [Income Tax Insight Instructions 88/2026 Dated 23/03/2026](#))

Identification of High Risk Transactions for Reassessment under Sections 148/148A: The instructions relates to High Risk Transaction and Non PAN Transaction cases under the Board's approved Risk Management Strategy (Cycle-6). These cases have been uploaded on the 'Verification' module of the Insight portal. High-Risk Transaction cases are assigned to Jurisdictional Assessing Officers (JAO), while Non-PAN cases are assigned to CCA.

[\(Link: Income Tax Insight Instructions 89/2026 Dated 23/03/2026\)](#)

Identification of High Risk Non-filers cases: The instructions relates to High Risk Non-filers cases under the Board's approved Risk Management Strategy (Cycle-6), with potential tax liabilities. These cases have been uploaded on the 'Verification' module of the Insight portal. These cases are identified by analysing information received under, SFT Data, TDS/TCS Statement, Import Export Data etc. and overall taxpayer profile, and assigned to Assessing Officers.

[\(Link: Income Tax Insight Instructions 90/2026 Dated 23/03/2026\)](#)

Income Tax Offices to remain open on 31st March 2026 despite Holiday: CBDT has issued an administrative order under section 119, directing all Income Tax offices across India to remain open on 31st March 2026. This date coincides with Mahavir Jayanti, a closed holiday. The order is intended to facilitate completion of pending departmental work within the financial year.

[\(Link: Income Tax CBDT Order Dated 18/03/2026\)](#)

Clarification on Section 194A TDS on interest in case of Banking Institutions: The X account post by Income Tax Department reiterates that banking companies are not required to deduct TDS where interest does not exceed the prescribed threshold. The clarification addresses the definition of "banking company" under the new law, noting that although the explicit reference to institutions covered under Section 51 of the Banking Regulation Act, has been omitted in the Income Tax Act, 2025, such institutions continue to be included within its scope. Accordingly, these banks and institutions remain eligible for the threshold exemption from TDS under the revised provisions.

[\(Link: Income Tax X account Post Dated 30/03/2026\)](#)

Advance Tax e-Campaign, clarification regarding 'Significant Transactions' Communication: The Income Tax Deptt acknowledged that some taxpayers received email communications containing incorrect details of 'significant transactions'. It stated that it is actively working with its service provider to correct the error. Taxpayers have been advised to ignore the earlier emails containing inaccurate information. It clarified that such communications are facilitative reminders meant to encourage voluntary compliance, and are not enforcement notices. Taxpayers are advised to verify their transaction details, on the Compliance Portal, accessible via the e-Filing portal.

[\(Link: Income Tax Clarification Dated 18/03/2026\)](#)

AI Data Analysis leads to nation-wide verification exercise on Restaurants Suppressing Turnover: Advanced analytics of transactional data from restaurants in the Food & Beverage sector carried out using AI-enabled analytical tools, and its comparison with the declared turnover, revealed large scale under-reporting of income. A nationwide survey was conducted and on a preliminary basis, the exercise revealed suppression of sales amounting to around Rs. 408 Crores. It was found that several restaurants were engaged in deletion of bulk bills and other modifications to suppress the actual sales.

-- The Department has also launched the SAKSHAM NUDGE campaign, encouraging voluntary compliance and asking around 63,000 identified restaurants to file updated returns under Section 139(8A) before 31st March 2026.

[\(Link: Income Tax Press Release Dated 09/03/2026\)](#)



SC, Interconnect Service charges are not Royalty to Non-Resident Telecom Operators: Case of DCIT vs Orange, SC Judgement Dated 16th March 2026. The apex court upheld the HC judgment concerning the taxability of interconnect service charges. The High Court had held that payments made for interconnect services to non-resident telecom operators do not qualify as royalty.

[\(Link: SC Judgement Dated 16/03/2026\)](#)

SC, Pending Appeals do not Bar Criminal Action: Case of Saumya Chaurasia vs Union of India, SC Judgement Dated 27th February 2026. The case relates to Income Tax prosecution arising from search and seizure, for which she was arrested. The apex court dismissed a plea by Saumya Chaurasia, challenging prosecution sanction notices in a tax evasion case, allowing the Income Tax Department to proceed with criminal charges under Sections 276C and 278E of the Act.

[\(Link: SC Judgement Dated 27/02/2026\)](#)

HC, Inflated Stock Statement to bank justifies income addition as practice held Commercial Immorality: Case of Ajay Food Products vs ITO, HC J&K Judgement Dated 11th March 2026. HC dismissed the appeal challenging an addition made based on discrepancies between stock statements submitted to a bank and the stock recorded in the books of accounts.

HC ruled that inflating stock figures submitted to banks for higher credit limits constitutes 'commercial immorality' and constitutes undisclosed income. It held that precise, certified, and declared stock figures in bank statements cannot be later dismissed as mere estimates.

(Link: [HC J&K Judgement Dated 11/03/2026](#))



HC, Bank Account seizure quashed as Director not liable for company's Tax dues due to Separate PAN: Case of Nitin Tanwar vs ITO, HC Delhi Judgement Dated 10th March 2026. HC allowed the writ petition and quashed the seizure of a director's personal bank account, which had been attached to recover tax dues of a company. The petitioner had argued that he was a separate assessee with an independent PAN and regularly filed returns, and therefore his personal account could not be used for recovery of the company's liability.

(Link: [HC Delhi Judgement Dated 10/03/2026](#))

HC, Provisional attachment under section 281B cannot be invoked without Tangible Material: Case of ARL Infratech Limited vs DCIT, HC Rajasthan Judgement Dated 6th March 2026. HC set aside a provisional attachment order against the property, holding that the power under Section 281B of the Income Tax Act 1961, must be exercised with great caution and only when there is tangible material indicating that revenue interests are at risk. The provisional attachment cannot be invoked without tangible material demonstrating likelihood of non-recovery of tax demand, particularly when the assessee has a history of being a regular taxpayer.

(Link: [HC Rajasthan Judgement Dated 06/03/2026](#))

HC Reduces TDS Rate to 2% as 15% Withholding Certificate lacked Proper Reasoning: Case of Cvent vs DCIT, HC Delhi Judgement Dated 27th February 2026. HC reduced the TDS withholding tax rate for the US based company from 15% to 2% under section 197 for AY 2026-27. The court deemed the 15% rate, based on past assessments, as legally unsustainable, as the company had fully disclosed material facts.

(Link: [HC Delhi Judgement Dated 27/02/2026](#))

HC, Seismic survey services in connection with oil exploration is not in nature of FTS or Royalty: Case of PGS Geophysical vs Income Tax Department, HC Delhi Judgement Dated 20th February 2026. HC held that seismic survey services in connection with exploration of oil cannot be held to be in nature of Fees for Technical Services (FTS) or Royalty and hence not covered under section 44DA of the Income Tax Act.

(Link: [HC Delhi Judgement Dated 20/02/2026](#))

HC, Interest on TDS refund allowed as Assessing Officer cannot decide delay under Section 244A(2): Case of PCIT vs HCL Infotech Pvt Ltd, HC Delhi Judgement Dated 10th February 2026. At the outset, the court accepted the stated reasons delay of 690 days in re-filing the appeal and condoned the delay. HC noted that interest on refund under Section 244A is ordinarily payable as a matter of course and may be denied only in exceptional circumstances where the delay is attributable to the assessee. It also noted that the statute specifically assigns the authority to determine the period of delay attributable to the assessee to higher authorities such as the PCCIT/CCIT/ CIT. HC thus, ruled that an Assessing Officer (AO) cannot unilaterally decide whether a delay in processing a tax refund is attributable to taxpayer and allowed interest on TDS refund.

(Link: [HC Delhi Judgement Dated 10/02/2026](#))



B. GST

Goods and Services Tax Settlement of Funds Rules 2026: The Ministry of Finance has notified the Goods and Services Tax Settlement of Funds Rules, 2026, replacing the earlier 2017 rules to streamline the settlement of GST funds between the Centre and States. The rules establish a comprehensive framework for electronic transmission of reports, cross-utilisation of input tax credit, and apportionment of Integrated GST (IGST). The rules prescribe detailed reporting formats (GST STL series) for tracking tax utilisation, refunds, recoveries, and fund transfers, ensuring transparency and accuracy in settlement.

(Link: [Fin Min GST Notification Dated 30/03/2026](#))

Appointment of Joint Commissioner CGST Daman as Concerned Authority: The notification amends earlier notification 14/2018 Union Territory Tax, and substitutes the existing entries. Specifically, in column (3), item (i) is replaced to designate Ms. Krati Nigam, Joint Commissioner CGST, Daman as the concerned authority. It ensures that the correct officer is specified for the relevant GST related function, under the Union Territory GST framework.

(Link: [UTGST Notification 01/2026 Dated 06/03/2026](#))

GSTAT Clarifies Mandatory Documents in appeals to avoid filing Defects: It mandates that Form APL-05 must include soft copies of key documents such as the Show Cause Notice (SCN), Order-in-Original (OIO), Order-in-Appeal (OIA), statement of facts, and grounds of appeal. Payment of pre-deposit and court fees is compulsory for taxpayers unless exempted by higher court orders. Appeals can also be filed with scanned certified copies of orders, provided their authenticity is verified by the scrutiny officer. Moreover, appellants must upload authorization documents or vakalatnama for representation.

(Link: [GSTAT Instructions Dated 10/03/2026](#))

GSTN, Advisory regarding confirmation of 'Tax Liability Breakup, As Applicable' in GSTR-3B: The interest is payable under section 50, when tax liability of a previous tax period is discharged in a subsequent period. Accordingly, from the February 2026 tax period onwards, the GST portal auto-populates this liability breakup based on document dates reported in GSTR-1, GSTR-1A, or IFF where such supplies relate to earlier periods. Taxpayers are now required to mandatorily open this tab on the payment page and confirm the details by clicking "SAVE" (or edit, if necessary) before filing GSTR-3B.

(GSTN Advisory Dated 16/03/2026)

GSTN, Advisory on the payment of pre-deposit while filing of appeal before First Appellate Authority: The taxpayers sometimes voluntarily pay amounts during investigation stage using Form GST DRC-03. Later, when filing an appeal against a demand order such as Form GST DRC-07, the GST portal may still require payment of the pre-deposit because payments made through DRC-03 are not automatically linked to the Demand ID in the Electronic Liability Register. The payments through DRC-03 must first be linked to the demand by filing Form GST DRC-03A. Once linked, the system recognizes the payment and adjusts it while calculating required pre-deposit for appeal.

(GSTN Advisory Dated 14/03/2026, Tutorial)

SC, Pre-Deposit cannot be weaponised against GST Taxpayer: Case of Simla Gomti Pan Products Pvt Ltd vs Commissioner of State Tax UP, SC Judgement Dated 20th March 2026. The apex court directed the petitioner to deposit Rs 3.50 crore within two weeks instead of the full statutory 10% amount. It ordered that no coercive steps be taken against the petitioner pursuant to the assessment orders once this deposit is made. Upon filing the deposit receipt, the Court will issue notice to the respondents.

(Link: [SC Judgement Dated 20/03/2026](#))

SC, Clerical mistakes in GST Returns not a valid reason to deny Export Refunds: Case of Union of India vs Ruhi Siraj Makda, SC Judgement Dated 13th March 2026. The apex court upheld HC ruling that IGST refunds for exports cannot be denied due to clerical errors (e.g., zero IGST entry in GSTR-1). The court clarified that clerical errors should not deny substantive rights, provided the exporter shows they have exported goods as a zero-rated supply.

(Link: [SC Judgement Dated 13/03/2026](#))

SC Allows GSTAT tenure extension due to Functional Crisis Concerns: Case of Revenue Bar association vs Union of India, SC Judgement Dated 09th March 2026. The apex court allow the Government of India to proceed further, in view of the decision in principle having been taken to the extend the tenure of Chairpersons, Presiding Officers, Presidents, and Members of different tribunals till 8th September 2026 or until the maximum age prescribed under the Tribunal Reforms Act.

(Link: [SC Judgement Dated 08/03/2026](#))



HC, GST Registration refused in Rajasthan as company failed to file returns in Tamil Nadu: Case of Leighton India Contractors Pvt Ltd vs Union of India, HC Rajasthan Judgement Dated 5th March 2026. HC held that GST registration can be denied in one state if the company is in default of compliance (e.g., non-filing of returns) in another state. The provisions of the GST Act are both State-centric and Central-centric, and non-compliance makes a company a defaulter, denying it registration elsewhere.

(Link: [HC Rajasthan Judgement Dated 05/03/2026](#))

HC, GST Registration cannot be cancelled Retrospectively without Prior Notice in SCN: Case of Jordan Enterprises vs Union of India, HC P&H Judgement Dated 25th February 2026. HC held that GST registration cannot be cancelled retrospectively unless such a proposal is explicitly mentioned in the original Show Cause Notice (SCN). The Court observed that cancellation of GST registration with retrospective effect has serious civil consequences, and therefore such orders must reflect due application of mind and proper reasoning. A non-speaking order passed without providing the taxpayer an opportunity to respond to the proposed action violates principles of natural justice.

(Link: [HC P&H Judgement Dated 25/02/2026](#))



HC, GST Orders quashed because deposit made 'Under Protest' was treated as Voluntary: Case of Deepak Agro Industries vs State of HP, HC HP Judgement Dated 24th February 2026. HC held that deposits made under protest cannot be treated as voluntary payments. The judgment reinforces that payments made "under protest" during investigation or adjudication proceedings do not constitute voluntary acceptance of liability.

(Link: [HC HP Judgement Dated 24/02/2026](#))

HC, Negative blocking of GST Electronic Credit Ledger invalid because Rule 86A applies only to Available ITC: Case of SPL Motors Private Limited vs Union of India, HC P&H Judgement Dated 19th November 2025. HC held that blocking ITC beyond the available balance and creating a negative entry is not permitted under the rule.

(Link: [HC P&H Judgement Dated 19/11/2025](#))

AAAR, Per-Piece Valuation prevails over Multi-Pack Packaging in determining GST Rate on Apparel: Case of Link Up Textiles Private Limited, AAAR Tamil Nadu Ruling Dated 9th March 2026. AAAR upheld the AAR decision that men's pyjama sets, when packed as multi-packs but valued individually below the specified threshold, attract a 5% GST rate.

(Link: [AAAR Tamil Nadu Ruling Dated 09/03/2026](#))

AAR, E-Commerce Platform not GTA due to absence of Consignment Note: Case of AV Cargo Migrators LLP, AAR Tamil Nadu Ruling Dated 5th March 2026. The applicant operates an online platform connecting vehicle owners/drivers with customers. Since, they do not issue consignment notes or physically transport goods themselves, they do not qualify as a GTA.

(Link: [AAR Tamil Nadu Ruling Dated 05/03/2026](#))

AAR, Exemption allowed on Waste Remediation Services due to Pure Service to Government Authority: Case of Gorantla Geosynthetics Ltd, AAR Tamil Nadu Ruling Dated 4th March 2026. AAR ruled that services for the 'Remediation of Waste Dump Sites' provided to a government authority (e.g., Goa Waste Management Corporation) qualify as exempt 'pure services' under serial number 3 of notification 12/2017.

(Link: [AAR Tamil Nadu Ruling Dated 04/03/2026](#))

AAR, ITC allowed on Employee Transport as Statutory Obligation overrides Blocked Credit Rule: Case of AGS Health Private Limited, AAR Tamil Nadu Ruling Dated 4th March 2026.

AAR allowed Input Tax Credit (ITC) on the leasing, renting, or hiring of motor vehicles for transporting women employees, provided such transport is obligatory under the Tamil Nadu Shops and Establishments Act.

(Link: [AAR Tamil Nadu Ruling Dated 04/03/2026](#))

AAR, GST applies to Member Services as law deems Association and Members Separate Persons: Case of The Coimbatore Branch of Indian Medical Association, AAR Tamil Nadu Ruling Dated 3rd March 2026. AAR ruled that Coimbatore branch of the IMA is liable to treat member subscription fees and related services as a 'business' and 'supply' under CGST. Though the IMA's primary goal is of providing exempt healthcare, these activities constitute taxable services, ruling against principle of mutuality.

(Link: [AAR Tamil Nadu Ruling Dated 04/03/2026](#))

AAR, Semen Sorting Services exempt as Job Work supporting Animal Husbandry: Case of Jiva Sciences Private Limited, AAR Gujarat Ruling Dated 3rd March 2026. The company uses proprietary technology to separate X and Y chromosome-bearing sperm cells from raw bovine semen provided by semen stations. Thus, it provides advanced technology interventions for producing "sorted semen" doses, that ensure a higher probability of female offspring. The AAR ruled that this process constitutes a service supporting animal husbandry, and is exempt from GST.

(Link: [AAR Gujarat Ruling Dated 03/03/2026](#))

AAR, Concessional 5% GST on bags applies if product is Biodegradable: Case of Pradeep Verma, AAR Rajasthan Ruling Dated 27th February 2026. AAR ruled that Bio-compostable carry bags made from certified polymer materials like PBAT (Polybutylene Adipate Terephthalate), starch blends, and PLA are classified under Chapter 39 (HSN 39232990). It ruled that these specific biodegradable bags attract a concessional GST rate of 5%.

(Link: [AAR Rajasthan Ruling Dated 27/02/2026](#))

AAR, Irrigation System Rubber Rings not automatically eligible for Lower GST: Case of Arti Pitaliya, AAR Rajasthan Ruling Dated 26th February 2026. AAR clarified that if the rubber rings made by the applicant are developed using hard rubber and are completely utilised for the purpose of irrigation, in that case it will be entry 195B of Schedule II of notification 01/2017, attracting GST at 5%, classified under HSN 8424. However, it will not attract concessional duty if it is either made of something other than hard rubber or used for general purposes.

(Link: [AAR Rajasthan Ruling Dated 26/02/2026](#))

AAR, Corpus or Sinking Fund collected by Housing Society is Taxable as Advance under GST: Case of Godrej United Owners Association, AAR Karnataka Ruling Dated 12th February 2026. AAR ruled that the Rs 7,500 exemption for housing societies is calculated monthly, water supply forms part of a composite maintenance service and is not separately exempt, corpus or sinking funds are treated as advances liable to GST at the time of receipt,

depreciation in books cannot determine GST liability, such funds are not to be clubbed with maintenance charges for exemption calculation, and voluntary festival contributions are not taxable as they do not constitute consideration for any supply.

[\(Link: AAR Karnataka Ruling Dated 12/02/2026\)](#)

AAR, Electricity & Water Charges recovered by Housing Society Taxable under GST: Case of Sandeep Vihar Owners Association, AAR Karnataka Ruling Dated 12th February 2026. AAR ruled that recoveries of water and electricity charges are part of maintenance services, corpus fund contributions constitute taxable advances for future services with GST payable at the time of collection, and community centre charges are part of maintenance charges.

[\(Link: AAR Karnataka Ruling Dated 12/02/2026\)](#)

AAR, Used Car dealer can claim ITC on Business Expenses as ITC Restriction applies only to Vehicles: Case of Toyota Mobility Solution and Services India Pvt Ltd, AAR Karnataka Ruling Dated 12th February 2026. The applicant purchases used passenger vehicles, undertakes minor refurbishment and repairs, and subsequently sells the vehicles to end customers. The company incurs various ancillary expenses in the course of its operations, which include refurbishment charges, marketing and advertisement expenses, professional fees, manpower expenses, office expenses etc.

-- The applicant sought an advance ruling on whether input tax credit (ITC) can be availed on goods and services other than the purchase of used vehicles when the company avails the benefit of Notification 08/2018- Rate dated 25th January 2018. (Under this notification, GST on the sale of used motor vehicles is payable on the margin between the selling price and purchase price, generally at the rate of 18%). AAR ruled that the applicant is eligible to avail input tax credit on such goods and services other than the purchase of used motor vehicles.

[\(Link: AAR Karnataka Ruling Dated 12/02/2026\)](#)

AAR, GST not payable on Solid Waste Services as they are Pure Services to Gram Panchayat: Case of Anonymous Indian Charitable Trust, AAR Karnataka Ruling Dated 12th February 2026. The applicant provides services to Gram Panchayat, which include collection and transportation of solid waste from rural areas, segregation and processing of waste, recycling and disposal at authorized facilities, street sweeping and drain cleaning. AAR ruled that the solid waste management services provided by the applicant to the Gram Panchayat qualify for exemption under entry number 3 of Notification 12/2017 dated 28th June 2017, and are services are exempt supplies, not liable to GST.

[\(Link: AAR Karnataka Ruling Dated 12/02/2026\)](#)

AAR, GST Exemption allowed as Medicines to Inpatients treated as Composite Healthcare Supply: Case of Dr Kamakshi Memorial Hospital Private Limited, AAR Tamil Nadu Ruling Dated 9th February 2026.

AAR ruled that supplying medicines and consumables along with providing health care services to in-patients would be treated as a composite supply, and the same is exempted from GST under entry number 74 of the notification 12/2017 dated 28th June 2017.

[\(Link: AAR Tamil Nadu Ruling Dated 09/02/2026\)](#)



AAR, Export Value must include all Delivered Duty Paid (DDP) costs for IGST: Case of Rangasamy Saravankumar (Arjun Knit Wear), AAR Tamil Nadu Ruling Dated 6th February 2026. AAR clarified that GST valuation and customs valuation operate under different frameworks. While GST valuation is based on transaction value including all costs up to delivery, customs valuation is limited to the value at the time and place of export. AAR ruled that all costs incurred under DDP terms up to delivery are includible in the transaction value for IGST purposes.

[\(Link: AAR Tamil Nadu Ruling Dated 06/02/2026\)](#)

AAR, GST Payable on Health Centre Operations because Services supplied are not Healthcare Services: Case of Indovation Healthcare LLP, AAR Uttarakhand Ruling Dated 28th January 2026. AAR ruled that services for the operation and management of government health centres are liable to GST and do not qualify for exemptions as 'healthcare services' or 'pure services' provided to a governmental authority.

[\(Link: AAR Uttarakhand Ruling Dated 28/01/2026\)](#)

AAR, Classification of Dual-Use Soap as Toilet Soap due to High TFM Content: Case of Tarwani Soap Industries, AAR Chhattisgarh Ruling Dated 12th January 2026. AAR ruled that 'toilet soaps' are those specifically intended for personal hygiene and skin care. The Authority noted that toilet soaps generally have a higher Total Fatty Matter (TFM) content and are formulated with milder ingredients suitable for the human body. The GST rate is 5%. In contrast, soaps used for washing clothes or general household cleaning (laundry soaps) often contain harsher builders and lower TFM. The GST rate is 18%.

[\(Link: AAR Chhattisgarh Ruling Dated 12/01/2026\)](#)



C. Central Excise

Central Excise notification rescinded to withdraw earlier Exemption Framework: The notification rescinds earlier notification 18/2022 dated 19th July 2022. The past transactions or decisions made under the rescinded notification remain valid and unaffected.

[\(Link: Central Excise Notification 13/2026 \(T\) Dated 26/03/2026\)](#)

Central Excise notification amended for Petrol, Diesel Exports by PSU oil firms to Select Countries: The notification amends earlier notification 04/2019, and excluding petrol and diesel cleared for export from its scope. However, the exclusion will not apply to exports made by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh, and Sri Lanka.

[\(Link: Central Excise Notification 12/2026 \(T\) Dated 26/03/2026\)](#)

Road and Infrastructure Cess rates prescribed on exported Petrol and Diesel: The notification prescribes rates of Road and Infrastructure Cess applicable to petrol and diesel cleared for export. Motor spirit, commonly known as petrol has been prescribed a nil rate. High speed diesel oil falling under the same heading has been prescribed a rate of Rs. 9.5 per litre. The exports made by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka have been specifically excluded from the scope of the notification.

[\(Link: Central Excise Notification 11/2026 \(T\) Dated 26/03/2026\) Corrigendum](#)

Excise Duty & AIDC exempted on Petrol, Diesel and ATF for Exports: The notification exempts applicable basic excise duty and Agriculture Infrastructure and Development Cess on petrol and diesel and basic excise duty on Aviation Turbine Fuel, when cleared for exports.

[\(Link: Central Excise Notification 10/2026 \(T\) Dated 26/03/2026\)](#)

ATF Exempted from Special Additional Excise Duty: The notification exempts Aviation Turbine Fuel from whole of Special Additional Excise Duty except when cleared for exports. However, the exemption will not apply to goods cleared for export, except in cases where exports are made by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh, and Sri Lanka.

[\(Link: Central Excise Notification 09/2026 \(T\) Dated 26/03/2026\)](#)

Special Additional Excise Duty (SAED) Rate fixed for ATF cleared for Export: The notification prescribe an effective rate of Special Additional Excise Duty on Aviation Turbine Fuel when cleared for exports. The rate prescribed is Rs 29.50 per litre.

[\(Link: Central Excise Notification 08/2026 \(T\) Dated 26/03/2026\)](#)

Special Additional Excise Duty (SAED) Rs 50 Per Litre imposed on Aviation Fuel: The notification inserts Aviation Turbine Fuel in the Eighth Schedule to Finance Act 2002, and prescribe Special Additional Excise Duty of Rs. 50 per litre on it.

[\(Link: Central Excise Notification 07/2026 \(T\) Dated 26/03/2026\)](#)

Special Additional Excise Duty (SAED) on export, Nil on Petrol and Rs 12 per Litre on Diesel: The notification grants partial exemption from Special Additional Excise Duty on specified petroleum products. The notification prescribes a nil rate of duty for motor spirit (petrol) and a concessional rate of Rs. 12 per litre for high speed diesel oil. The exemption applies only to the extent the duty exceeds these specified rates. However, the notification restricts its applicability by excluding goods other than those cleared for export.

[\(Link: Central Excise Notification 06/2026 \(T\) Dated 26/03/2026\), Corrigendum](#)

Special Additional Excise Duty (SAED) reduced on Petrol, Diesel for Domestic Supply: The notification reduces Special Additional Excise Duty on petrol and diesel for domestic consumption. It amends earlier notification 05/2019 dated 6th July 2019, and substitutes the rate of duty to Rs. 3 per litre (earlier Rs 13) on petrol and Nil (earlier Rs 10) for diesel. It clarifies that the revised rates will not apply to goods cleared for export.

[\(Link: Central Excise Notification 05/2026 \(T\) Dated 26/03/2026\)](#)

Amendments in Excise Rules to exclude Fuel Export Rebates: The amendment inserts provisos in Rules 18 and 19 to exclude exports of motor spirit (petrol), high speed diesel oil and aviation turbine fuel (ATF) from the provisions that allow export of excisable goods without payment of duty or under claim of rebate. However, an exception has been provided for exports made by Public Sector Oil Companies to Nepal, Bhutan, Bangladesh and Sri Lanka.

[\(Link: Central Excise Notification 02/2026 \(NT\) Dated 26/03/2026\)](#)

SC, No Excise exemption allowed due to sale to Intermediary instead of Direct Export: Case of Natural Lights Private Limited vs Principal Commissioner, SC Judgement Dated 17th March 2026. The apex court upheld HC judgment, which denied excise duty exemption, for transaction involving multiple parties, where an export order was routed through different entities before reaching the appellant, which manufactured and supplied the goods to an intermediary company.

[\(Link: SC Judgement Dated 17/03/2026\)](#)



D. Custom Duty

SEZ Units granted Duty Exemption due to Domestic Supply Promotion Policy: The notification allows conditional customs duty exemptions on goods manufactured by Special Economic Zone (SEZ) units and cleared to the Domestic Tariff Area (DTA). It allows reduced customs duty and Agriculture Infrastructure and Development Cess (AIDC) based on specified rates, subject to compliance with conditions. It excludes units in Free Trade and Warehousing Zones and goods merely imported into SEZ and removed without manufacturing.

(Link: Customs Notification 11/2026 (T) Dated 31/03/2026)

Mauritius 6th Tranche Customs FTA Notification: The notification amends earlier Notification 25/2021 dated 31st March 2021 and substituted existing tables with revised tables. The revised tables update duty structures, align classifications, or modify concession rates as per current policy requirements.

(Link: Customs Notification 10/2026 (T) Dated 31/03/2026)

UAE 5th Tranche Customs FTA Notification: The notification amends earlier Notification 22/2022 dated 30th April 2022 and substituted existing tables with revised tables. The revised tables update duty structures, align classifications, or modify concession rates as per current policy requirements.

(Link: Customs Notification 09/2026 (T) Dated 31/03/2026)

Amendments relating to duty exemptions on Re-import of Goods: The notification amends earlier notification 45/2017 dated 30th June 2017, clarifying that exemption conditions apply only where the re-imported goods are the same as those originally exported. It further introduces a provision that goods re-imported through courier mode, except those specified under the Courier Imports and Exports Regulations, shall be subject to risk-based treatment.

(Link: Customs Notification 08/2026 (T) Dated 30/03/2026)

ATF Imports exempted from Additional Customs Duty: The notification provides exemption, in respect of Aviation Turbine Fuel (ATF) imported into India, from the whole of the additional duty of customs levied under section 3(1) of the Customs Tariff Act.

(Link: Customs Notification 07/2026 (T) Dated 26/03/2026)

SBER Bank added in List 14 for Import Eligibility: The notification amends earlier notification 45/2025 dated 24th October 2025, inserts a new entry in List 14 of Table I by adding "SBER Bank". The notification clarifies that the inclusion will apply with effect from 25th June 2025 until 31st March 2026 and Imports associated with this entry are permitted only for domestic consumption during the specified period.

(Link: Customs Notification 06/2026 (T) Dated 12/03/2026)

Courier Rules amended for faster disposal of Uncleared Imported Goods: The notification amends the Courier Imports and Exports (Clearance) Regulation and revises procedures for handling uncleared imported goods. Goods not cleared within 30 days will be detained and disposed of after notice, with storage charges payable by the authorised courier. The couriers may also request re-export or return of goods after 15 days, subject to conditions.

(Link: Customs Notification 34/2026 (NT) Dated 31/03/2026)

Amendments to Courier Regulations to allow Re-Export of Uncleared Goods After 15 Days: The amended regulations permits authorized couriers to request re-export or return of imported goods remaining uncleared after fifteen days from arrival, provided such goods are not prohibited or restricted and no enforcement proceedings have been initiated.

(Link: Customs Notification 33/2026 (NT) Dated 31/03/2026)

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver: CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 31st March 2026. The tariff value for crude palm oil is set at USD 1141 per metric ton, while gold and silver have tariff values of USD 1450 per 10 grams and USD 2201 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 7020 per metric ton.

(Link: Customs Notification 32/2026 (NT) Dated 30/03/2026)

Amendments to Sea Cargo Manifest and Transshipment Regulations: The amendment primarily modifies the compliance timeline specified in the regulatory table following Form XII, against Serial No. 6 in column (3) till 30th June 2026.

(Link: Customs Notification 31/2026 (NT) Dated 30/03/2026)

Amendments to Customs Electronic Cash Ledger Regulations: The amendment introduces "payment aggregator" as an additional mode for depositing funds into the electronic cash ledger. A new clause 3(6)(d) has been inserted to explicitly permit payments through payment aggregators.

(Link: Customs Notification 30/2026 (NT) Dated 24/03/2026)

Common Adjudicating Authority appointed for Quantum Knits Unit of KPR Sugar Mills: The notification appoints Additional or Joint Commissioners of Customs at the Custom House, Tuticorin, to exercise powers previously vested in different adjudicating authorities across Coimbatore, Tiruchirappalli, and Chennai jurisdictions. The cases relates to Quantum Knits Unit of KPR Sugar Mills, pertaining to various show cause notices issued between 2022 and 2025.

[\(Link: Customs Notification 29/2026 \(NT\) Dated 20/03/2026\)](#)

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver: CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 21st March 2026. The tariff value for crude palm oil is set at USD 1112 per metric ton, while gold and silver have tariff values of USD 1481 per 10 grams and USD 2262 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 7020 per metric ton.

[\(Link: Customs Notification 28/2026 \(NT\) Dated 20/03/2026\)](#)

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver: CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 20th March 2026. The tariff value for crude palm oil is set at USD 1112 per metric ton, while gold and silver have tariff values of USD 1568 per 10 grams and USD 2820 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 7020 per metric ton.

[\(Link: Customs Notification 27/2026 \(NT\) Dated 19/03/2026\)](#)

Revision of Jurisdiction of Visakhapatnam Customs Commissioner: The revised jurisdiction includes major trade gateways such as Visakhapatnam Port, Gangavaram Port, Visakhapatnam International Airport, and the Container Freight Station at Bayyavaram. It also extends to the Visakhapatnam Special Economic Zone and areas falling under the Greater Visakhapatnam Municipal Corporation in AP. It also covers Inland Container Depots, airports, Export Oriented Units, SEZs, and warehouses located in districts including Anakapalli, Alluri Sitharama Raju, Visakhapatnam, Vizianagaram, Parvathipuram Manyam, and Srikakulam. It further extends to the continental shelf and Exclusive Economic Zone of India adjoining Andhra Pradesh.

[\(Link: Customs Notification 26/2026 \(NT\) Dated 16/03/2026\)](#)

Fixation of Tariff Value of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver: CBDT notified the Tariff Values of Edible Oils, Brass Scrap, Areca Nut, Gold and Silver, which shall come into force w.e.f. 14th March 2026. The tariff value for crude palm oil is set at USD 1112 per metric ton, while gold and silver have tariff values of USD 1652 per 10 grams and USD 2820 per kilogram, respectively. The tariff value for areca nuts is fixed at USD 7020 per metric ton.

[\(Link: Customs Notification 25/2026 \(NT\) Dated 13/03/2026\)](#)

Removal of Value Limit of Rs 10 Lakh for Commercial Export through Courier: The circular removes the Rs 10 lakh value cap on courier export consignments, enabling greater flexibility for exporters, including non-e-commerce goods. It also introduces a Return to Origin (RTO) mechanism allowing re-export of uncleared or unclaimed imported goods after 15 days, thereby reducing congestion at courier terminals and improving logistics efficiency. Also, the process for re-import of returned or rejected goods has been simplified through a risk-based framework, replacing cumbersome verification requirements.

[\(Link: Customs Circular 17/2026 Dated 31/03/2026\)](#)



SCMTR Transition extended to June 2026 for system Development & Testing: The implementation of the Sea Cargo Manifest and Transshipment Regulations (SCMTR) has been reviewed. While electronic filing of cargo movement messages between ports has been successfully implemented nationwide, uniform adoption of Stuffing (SF) messages remains incomplete. To address ongoing system development and testing requirements across ICDs, CFSSs, SEZs, and gateway ports, the transitional provisions for SCMTR have been extended until 30th June 2026.

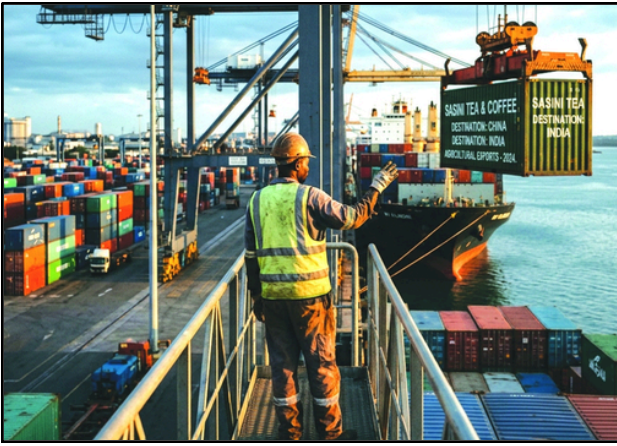
[\(Link: Customs Circular 16/2026 Dated 30/03/2026\)](#)

International Transshipment of FCU/LCL cargo from all Ports/Airports, in view of disruption in maritime routes due to closure of the Strait of Hormuz: In view of the ongoing disruption in maritime routes, it is clarified that International transshipment of both Full Container Load (FCL) and Less than full Container Load (LCL) cargo shall be permitted from all seaports and international airports, including cases involving transshipment through other Customs stations.

[\(Link: Customs Circular 15/2026 Dated 27/03/2026\)](#)

Clarification regarding validity period for self-sealing permission to Exporters: The circular clarifies that the facility of self-sealing, once granted to an eligible exporter/merchant exporter in terms of the circular 26/2017 dated 1st July 2017, does not have any prescribed validity period. The permission shall continue to remain valid unless it is specifically withdrawn, suspended, or cancelled by the jurisdictional authority due to non-compliance, misuse of the facility, or any other valid reason.

[\(Link: Customs Circular 14/2026 Dated 27/03/2026\)](#)



Introduction of Payment Aggregator: The circular introduces a payment aggregator facility on the ICEGATE e-Payment platform to simplify customs duty payments and enhance trade facilitation. The new system allows importers to pay duties through Electronic Cash Ledger (ECL), using credit cards, debit cards, and UPI for the first time, along with expanded internet banking access through 41 banks.

(Link: Customs Circular 13/2026 Dated 24/03/2026)

Procedure for Export Cargo returned due to Strait of Hormuz Closure: The Shipping lines must file Sea Arrival Manifests, containers must be verified and seals checked, and tampered containers require full examination. Customs authorities must verify and cancel Shipping Bills and Let Export Orders while ensuring reversal or recovery of export incentives. Back to Town (BTT) clearance may be allowed after verification. Temporary international trans-shipment of LCL cargo from notified ports and airports is permitted until 31 March 2026. For liquid or break-bulk cargo diverted to India, temporary unloading and bonded storage may be allowed under Customs supervision solely for re-export or onward trans-shipment.

(Link: Customs Circular 12/2026 Dated 17/03/2026)

Facilitation in import of pet dogs and pet cats along with stranded Indians in war hit Middle East countries: As a one-time measure, pet owners must declare that the pet has lived with them for at least one month and produce available vaccination records such as a pet passport, pet book, or vaccination certificate. Even if vaccinations are delayed or documentation is incomplete, clearance may still be granted after clinical examination and necessary rabies vaccination at the port of entry. Final clearance will be issued by Animal Quarantine and Certification Services (AQCS).

(Link: Customs Circular 11/2026 Dated 16/03/2026)

Waiver of Fee for Amendment or Cancellation of Export Document due to Force Majeure: The disruptions in international shipping routes, particularly due to the closure of the Strait of Hormuz and the resulting logistical challenges, may prevent vessels or cargo from reaching destination ports. In such situations, exporters may need to amend or cancel shipping bills or withdraw consignments from customs areas.

Since these circumstances arise beyond the control of exporters or customs brokers, officers may permit amendment or cancellation without charging the prescribed fee. The relaxation applies to all customs stations and remains valid for 15 days.

(Link: Customs Circular 10/2026 Dated 10/03/2026)

Return of export cargo from international waters due to closure of the Strait of Hormuz: The government has relaxed customs procedures for export cargo returning to India after vessels were forced to turn back due to disruptions in maritime routes, including the closure of the Strait of Hormuz. The measures, effective for 15 days from 8th March 2026, include allowing containers to be unloaded without standard import paperwork, such as a Bill of Entry, and enabling the cancellation of shipping bills even after the Export General Manifest (EGM) has been filed. The authorities will verify container details against shipping bills and check seal integrity, with 100% examination for tampered or broken seals. If exporters have already received tax benefits or export incentives (e.g., IGST refunds, duty drawback), these amounts must be repaid to the government. Meanwhile, a new option will be introduced on the ICEGATE platform to facilitate the cancellation of shipping bills post-EGM.

(Link: Customs Circular 09/2026 Dated 08/03/2026)

Extension of Deferred Payment of Customs Duty benefits to 'Eligible Manufacturer Importer' (EMI): The initiative allows Eligible Manufacturer Importers (EMI) to clear imported goods without paying Customs duty at the time of clearance. Instead, the applicable duty can be paid on a monthly basis as prescribed under the Deferred Payment of Import Duty Rules. The facility will be available from 1st April, 2026 till 31st March, 2028. This facility shall be available to EMI meeting prescribed criteria related to Customs and GST compliance, turnover, financial standing and past track record. During the validity period of the scheme, approved Eligible Manufacturer Importers are expected to progressively obtain AEO-T2 or AEO-T3 status, enabling access to enhanced facilitation, faster clearances and priority treatment under the AEO Programme.

(Link: Customs Circular 08/2026 Dated 28/02/2026)

Duty drawback on the export of unlocked mobile handsets by Merchant Exporters: The Instruction relates to duty drawback on export of unlocked mobile handsets by merchant exporters, in light of judicial developments. CBIC directed all field formations to strictly comply with the court rulings. The courts have effectively settled the legal position by allowing duty drawback benefits on the export of unlocked mobile handsets.

(Link: Customs Instructions 02/2026 Dated 19/03/2026)



E. Directorate General of Foreign Trade (DGFT)

Existing RoDTEP Rates for Exports extended till September 2026: The notification extends the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme for a further period of six months, till 30th September 2026, for all eligible export products.

(Link: [DGFT Notification 74/2026 Dated 31/03/2026](#))

Re-import Period for Diamond Exporters extended to Four Months: The notification provide a one-time relaxation for eligible exporters of cut and polished diamonds (0.25 carat or above) with specified turnover criteria to benefit from an extended re-import timeline at zero duty. In cases where the original re-import period of three months expires between 1st March 2026 and 31st May 2026, the deadline will automatically be extended by 30 days. This effectively increases the re-import period to four months for such shipments.

(Link: [DGFT Notification 73/2026 Dated 31/03/2026](#))

Free Import Policy for Tur/ Pigeon Peas extended till March 2027: The notification extends the 'Free' import policy for Tur/ Pigeon Peas (*Cajanus Cajan*) classified under ITC (HS) Code 07136000, previously valid up to 31st March 2026, until 31st March 2027.

(Link: [DGFT Notification 72/2026 Dated 31/03/2026](#))

Free Import Policy for Urad extended till March 2027: The notification extends the 'Free' import policy for Urad (*Vigna Mungo*) classified under ITC (HS) Code 07133110, previously valid up to 31st March 2026, until 31st March 2027.

(Link: [DGFT Notification 71/2026 Dated 31/03/2026](#))

Free Import Policy for Yellow Peas till March 31, 2027: The notification extends the 'Free' import policy for Yellow Peas under ITC (HS) Code 07131010, previously valid up to 31 March 2026, until 31 March 2027.

(Link: [DGFT Notification 70/2026 Dated 31/03/2026](#))

MIP on Virgin Paper Board Imports extended till April 2026: The notification extends the existing Minimum Import Price (MIP) MIP of INR 67,220 per metric tonne (CIF value) on imports of Virgin Multi-layer Paper Board (VPB), previously valid up to 31 March 2026, until 31 March 2027.

(Link: [DGFT Notification 69/2026 Dated 31/03/2026](#))

Urea Imports allowed via Indian Potash Limited: The notification amends the import policy condition for Urea. It extends the State Trading Enterprise (STE) status of Indian Potash Limited (IPL) for import of agricultural grade urea on government account valid up to 31 March 2027.

(Link: [DGFT Notification 68/2026 Dated 27/03/2026](#))

Removal of per-consignment Value Limit for Courier Exports: The notification amends Para 9.05 of the Foreign Trade Policy (FTP), Effective from 1st April 2026, it removes the earlier per-consignment value limit of Rs 10,00,000 for exports through courier services.

(Link: [DGFT Notification 67/2026 Dated 27/03/2026](#))

Restoration of RoDTEP Rates, withdraws 50% Restriction: The Notification restores RoDTEP rates and value caps for all eligible export products. The rates applicable as on 22nd February 2026 have been restored for the period from 23rd February 2026 to 31st March 2026. This supersedes Notification No. 60/2026, which had earlier restricted benefits to 50%.

(Link: [DGFT Notification 66/2026 Dated 27/03/2026](#))

Support for Exporters in view of Geopolitical Disruptions in the Gulf and West Asia Maritime Corridor: The notification introduces a time-limited support scheme titled RELIEF (Resilience & Logistics Intervention for Export Facilitation) under the Export Promotion Mission. It comprises three components i.e. enhanced export credit risk coverage for existing ECGC insured exporters (up to 100% loss cover), incentivized ECGC insurance for new shipments (up to 95% loss cover), and reimbursement of up to 50% of additional freight and insurance costs for non-ECGC insured MSME exporters.

(Link: [DGFT Notification 65/2026 Dated 19/03/2026](#))

Amendment in Import Policy condition in Chapter 95 of ITC: The notification delete Policy Condition No. 2 (iii) under Chapter 95 of ITC (HS), 2022, Schedule 1 (Import Policy), which covers toys, games and sports requisites. The restriction contained in this sub-condition will no longer apply to such imports.

(Link: [DGFT Notification 64/2026 Dated 18/03/2026](#))

Restrictions on Import of certain Studded Silver Jewellery: The import policy for items classified under ITC Codes 71131144 and 71131145, covering silver jewellery studded with diamonds or other precious and semi-precious stones, has been changed from 'Free' to 'Restricted'. Under the revised policy, imports will now require government authorization or licensing.

(Link: [DGFT Notification 63/2026 Dated 16/03/2026](#))

Export & Re-Import deadlines extended for Gem & Jewellery Sector due to Global Trade Disruptions: The one-time relaxation grants an automatic extension of 30 days for re-export, export, and re-import periods where such timelines expire between 1st March 2026 and 31st May 2026.

(Link: [DGFT Public Notice 54/2026 Dated 30/03/2026](#))

Gold Import TRQ validity extended due to Global Trade Disruptions: The Public Notice extends the validity of Tariff Rate Quota (TRQ) Authorisations for import of gold under the India-UAE Comprehensive Economic Partnership Agreement (CEPA). The extension applies to authorisations issued in FY 2025-26, whose validity was originally set to expire on 31st March 2026, and now stands extended up to 30th June 2026.

(Link: [DGFT Public Notice 53/2026 Dated 24/03/2026](#))

Amendment in SION A-2005 norms for Phenoxyethanol Export and Import Inputs: The amendment revises the description of the export product from 'Phenoxyethanol (Preservative Grade)' to 'Phenoxyethanol' and updates the permissible quantity of Ethylene Oxide from 0.325 kg to 0.323 kg per kg of export product, while retaining the quantity of Phenol at 0.690 kg for each kg of export.

(Link: [DGFT Public Notice 52/2026 Dated 20/03/2026](#))

Automatic extension of the Export Obligation (EO) period up to 31st August 2026: In view of the prevailing geopolitical developments impacting global shipping routes, logistics corridors and international supply chains, and with a view to facilitating exporters, the Export Obligation (EO) period / Block-wise EO fulfilment period in respect of specified Advance Authorisations and Export Promotion Capital Goods (EPCG) Authorisations, expiring between 1st March 2026, and 31st May 2026, has been automatically extended up to 31st August 2026 without payment of composition fee.

(Link: [DGFT Public Notice 51/2026 Dated 06/03/2026](#))

Amendments to Interest Subvention for operational clarity and Compliance: The trade notice clarifies that export credit eligibility depends on prevailing RBI directions, and subvention is not available once a loan becomes an NPA. Exporters must ensure aggregate claims remain within Rs 50 lakh per IEC, supported by bank undertakings. Mandatory generation of a Unique Identification Number (UIN) before loan disbursement is required, with no portability between banks. Subvention applies from the date of disbursement, and only for the actual loan period. Banks must submit claims through an online portal with detailed borrower data.

(Link: [DGFT Trade Notice 33/2026 Dated 20/03/2026](#))

Launch of Support for Emerging Export Opportunities under Export Promotion Mission (EPM): The initiative aims to improve global trade connectivity and liquidity in under-served markets.

The Government will provide risk-sharing support through the Export-Import Bank of India (Exim Bank), enabling banks to extend non-recourse trade finance instruments for exports to under-served markets. The scheme primarily targets MSMEs involved in international value chains and holding valid IEC and Udyam registration. Eligible exporters will apply through the DGFT portal to obtain a unique identification number and access trade finance support through partner banks. Risk-sharing guarantees ranging from 10% to 80% of transaction value may be provided based on risk assessment.

(Link: [DGFT Trade Notice 32/2026 Dated 06/03/2026](#))

Launch of Credit Assistance for E-Commerce Exporters under Export Promotion Mission (EPM): The initiative aims to improve access to working capital for Micro, Small and Medium Enterprises (MSMEs) engaged in cross-border e-commerce. The Government will provide credit guarantee cover to banks for working capital facilities such as cash credit or overdraft and will also offer interest subvention support. The scheme will initially operate on a pilot basis through the Export-Import Bank of India (Exim Bank) in coordination with the National Credit Guarantee Trustee Company (NCGTC). Eligible MSMEs must hold a valid Importer-Exporter Code and Udyam registration and demonstrate export activity through courier, postal routes, or overseas inventory.

(Link: [DGFT Trade Notice 31/2026 Dated 06/03/2026](#))



Operationalisation of Inter-Ministerial Group (IMG) for Supply Chain Resilience: The IMG has been constituted under the chairmanship of the Special Secretary, Department of Commerce and DG, DGFT to evaluate the impact of ongoing geopolitical developments on India's exports, particularly disruptions in global supply chains. The IMG will monitor international developments affecting supply chains, assess sector-wise export challenges and critical import vulnerabilities, and facilitate coordination among various Ministries and Departments. Also, DGFT has established an internal coordination mechanism to enable real-time monitoring of supply chain issues and inter-agency collaboration. Trade and industry have also been invited to report supply chain disruptions to DGFT for examination and coordinated action.

(Link: [DGFT Trade Notice 30/2026 Dated 03/03/2026](#))



F. Securities and Exchange Board of India (SEBI)

Amendments to SEBI Issue of Capital and Disclosure Requirements (ICDR) Regulations: The notification introduce mandatory submission and disclosure of a draft abridged prospectus alongside offer documents across multiple stages of public issues, enhancing transparency and accessibility for investors. Depositories are now required to mark securities as 'non-transferable' where lock-in cannot be created. It mandate inclusion of QR codes and links in advertisements and offer-related documents to provide seamless access to key documents such as the red herring prospectus, abridged prospectus, and price band advertisements.

(Link: [SEBI Notification Dated 16/03/2026](#))

Amendments to Securities Contracts Regulation Rules: The notification revise Rule 19(2)(b) relating to minimum public shareholding requirements for companies seeking listing on recognized stock exchanges. It introduces a graded framework linking the minimum public offer to the company's post-issue capital. Companies with post-issue capital up to Rs 1,600 crore must offer at least 25% of equity or convertible securities to the public. Large companies must progressively increase public shareholding to 25% within specified timelines ranging from three to ten years after listing.

(Link: [SEBI Notification Dated 13/03/2026](#))

Corrigendum to LODR amendment notification to correct Legal Provisions: The corrigendum relates to LODR notification dated 20th January 2026. It clarifies the correct enabling provision. It corrects the wording of Regulation 39(2), specifying that a listed entity must credit securities in dematerialised form within 30 days upon receiving investor service requests such as subdivision, split, consolidation, renewal, exchange, or issuance of duplicate securities due to loss or damage of certificates, along with relevant documents. Further, it fixes numbering errors in clauses and paragraphs.

(Link: [SEBI Notification corrigendum Dated 10/03/2026](#))

Master Circular for Mutual Funds: It consolidates previous guidelines, replacing the earlier Master Circular dated 27th June 2024. It ensures that all stakeholders including mutual funds, asset management companies, trustees, RTAs, and market intermediaries, have a single, comprehensive reference for regulatory requirements. The actions taken under rescinded circulars, including approvals, investigations, and proceedings, remain valid and are deemed to continue under the new framework.

(Link: [SEBI Master Circular Dated 20/03/2026](#))

Master Circular for Mutual Funds: It consolidates previous guidelines, replacing the earlier Master Circular dated 27th June 2024. It ensures that all stakeholders including mutual funds, asset management companies, trustees, RTAs, and market intermediaries, have a single, comprehensive reference for regulatory requirements. The actions taken under rescinded circulars, including approvals, investigations, and proceedings, remain valid and are deemed to continue under the new framework.

(Link: [SEBI Circular Dated 25/03/2026](#))

Cost Accountants allowed to Audit Investment Advisors: Earlier, only members of the Institute of Chartered Accountants of India (ICAI) and the Institute of Company Secretaries of India (ICSI) were permitted to conduct such audits under the SEBI (Investment Advisers) Regulations. SEBI has now extended this eligibility to members of the Institute of Cost Accountants of India (ICMAI).

(Link: [SEBI Circular Dated 25/03/2026](#))

Intraday Borrowing Rules deferred due to operational challenges faced by AMCs: In view of operational challenges raised by Asset Management Companies (AMCs), SEBI has postponed the implementation of guidelines relating to intraday borrowings, originally introduced in March 2026, to 15th July 2026.

(Link: [SEBI Circular Dated 25/03/2026](#))

Relaxation in Reporting Norms for certain Stock Brokers: The brokers who are also banks or primary dealers are now required to report only those bank accounts that are used for stock broking operations, eliminating unnecessary reporting of unrelated accounts. The circular also removes the requirement of reporting demat accounts by brokers, while ensuring that depositories share such details directly with stock exchanges. Timelines for reporting opening and closure of bank accounts are prescribed.

(Link: [SEBI Circular Dated 23/03/2026](#))

Review of Coverage of Core Settlement Guarantee Fund (SGF) for Commodity Derivatives Segment: Earlier norms required clearing corporations to calculate credit exposure based on the simultaneous default of at least two clearing members causing the highest exposure, along with 50% of exposure from the default of all clearing members.

Under the revised rule, clearing corporations must now calculate credit exposure assuming the simultaneous default of at least three clearing members and their associates causing the highest credit exposure. Also, it has introduced a new provision allowing the regulator to grant exemptions or relaxations from SGF provisions, considering market conditions, adequacy of risk management frameworks, and investor protection objectives.

[\(Link: SEBI Circular Dated 16/03/2026\)](#)

Intraday Borrowing by Mutual Funds (MFs): Mutual funds often face intraday timing mismatches because redemption payouts are processed in the morning of T+1 day, while maturity proceeds from TREPS and reverse repo are received in the evening of the same day. MFs have been allowed to enter into intraday borrowing arrangements with financial institutions. The borrowing amount cannot exceed guaranteed receivables due on the same day from specified sources such as TREPS, reverse repo, or government securities transactions. The cost or losses arising from intraday borrowing must be borne by the asset management company. The borrowing conditions for equity-oriented index funds and ETFs participating in the closing auction session, has also been specified.

[\(Link: SEBI Circular Dated 13/03/2026\)](#)

NISM Certification Norms relaxed because Sales Staff are not directly involved in Research: Under SEBI (Research Analysts) Regulations, 2014, Persons Associated with Research Services (PARS) are required to obtain certification from the National Institute of Securities Markets (NISM). Previously, PARS had to pass the NISM Series-XV Research Analyst Certification Examination. Now, a lighter certification module has been introduced for individuals engaged in sales, relationship management, or other non-core services that involve client interaction but not research activities. Such personnel must now pass the NISM Series-XXV-A certification examination.

[\(Link: SEBI Circular Dated 11/03/2026\)](#)

Introduction of Voluntary Lock in or Debit freeze facility to Mutual Fund Folios: This facility will voluntarily enable investors to lock their mutual fund folios to ensure that no units are debited until the folio is unlocked. It will be available for both demat and non-demat (Statement of Account) folios. The registrars and transfer agents (RTAs) will provide the folio locking facility through the MF Central platform, which was introduced to improve investor experience in mutual fund transactions and service requests. The facility will be available only to KYC-compliant investors with a valid registered email ID and mobile number.

[\(Link: SEBI Circular Dated 06/03/2026\)](#)

Guidelines for Custodians, mandates Activity Segregation and Client Disclosures: The circular specifies conditions regarding segregation of activities, outsourcing, vault requirements, governance obligations, risk management, technology infrastructure, business continuity planning, and reporting obligations for custodians.

Custodians that are not banks or bank affiliates must conduct financial services within and outside SEBI's regulatory purview through separate Strategic Business Units (SBUs) and maintain separate accounts while meeting net worth requirements excluding the SBU books. Custodians providing unregulated services must disclose this to clients and obtain acknowledgements regarding lack of SEBI grievance recourse.

[\(Link: SEBI Circular Dated 04/03/2026\)](#)



Regulatory Reporting by Alternative Investment Funds (AIFs), Ease of Compliance Burden: Earlier, AIFs were required to submit detailed activity reports to SEBI on a quarterly basis within 15 days of the end of each quarter through formats hosted by the Indian Venture and Alternate Capital Association (IVCA). Under the revised system, they must submit a comprehensive Annual Activity Report through the SEBI Intermediary Portal within 30 days from the end of each financial year. Also, a limited Quarterly Activity Report will be required within 15 days of the end of each quarter.

[\(Link: SEBI Circular Dated 04/03/2026\)](#)

Extension of suspension in trading in seven key Commodities Derivatives: The suspension in trading in derivative contracts has been extended till 31st March 2027, for commodities i.e. Paddy (non-basmati), Wheat, Chana, Mustard seeds and its derivatives, Soya bean and its derivatives, Crude Palm Oil, and Moong.

[\(SEBI Press Release Dated 27/03/2026\)](#)

Launch of Verified Label to curb Fake Trading Apps and Protect Investors: SEBI has introduced a significant investor protection measure by launching a 'Verified' label for stock trading apps of registered brokers on the Google Play Store. It will ensure that only authentic, registered entities receive the verified badge, enabling investors to easily identify legitimate apps. It has also reinforced investor awareness through its 'CVV' approach i.e., Check, Validate, and Verify, encouraging users to verify bank accounts, UPI IDs, and app authenticity before investing.

[\(SEBI Press Release Dated 25/03/2026\)](#)

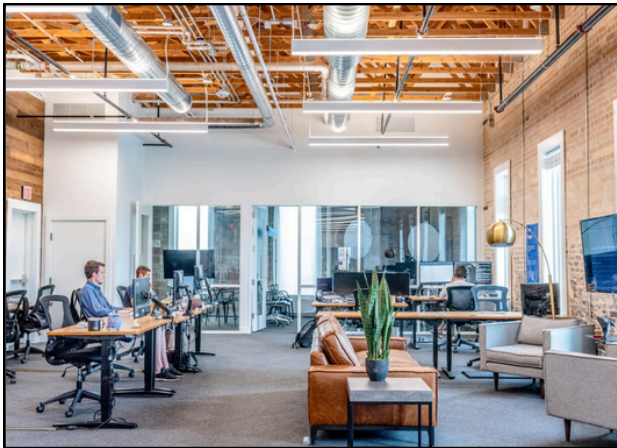
SEBI Board approves multiple regulatory changes to ease compliance & Improve Market Operations: The main decisions include allowing Alternative Investment Funds (AIFs) to retain liquidation proceeds under specified conditions and introducing 'inoperative fund' status with reduced compliance requirements.

Foreign Portfolio Investors (FPIs) will be permitted net settlement of funds in cash market transactions to reduce costs. The minimum investment threshold in Social Impact Funds has been reduced from Rs 2 lakh to Rs 1,000 to boost retail participation. Reforms for InvITs and REITs provide flexibility in investments, borrowings, and asset management. Amendments to the 'fit and proper person' criteria relax automatic disqualifications while maintaining regulatory safeguards.

[\(Link: SEBI Press Release Dated 23/03/2026\)](#)

SC, Diversion of funds for other than stated purposes is fraud which cannot be cured by Shareholder Ratification: Case of SEBI vs Terrascope Ventures, SC Judgement Dated 17th March 2026. The apex court held that diversion of funds raised through preferential allotment for purposes other than those stated in offer document/ prospectus/ notice establishes as fraud and same cannot be cured by consequent shareholder ratification.

[\(Link: SC Judgement Dated 17/03/2026\)](#)



G. Ministry of Corporate Affairs (MCA)

DIR-3 KYC filing reduced to once every Three Years to cut Compliance Burden: Under the revised rules, effective from 31st March 2026, directors holding a DIN as of 31st March of a financial year are required to file Form DIR-3 KYC Web once every three financial years, instead of annually, with a deadline of 30th June. However, any change in key details such as mobile number, email ID, or residential address must be updated within 30 days through the same form along with the prescribed fee. It also replaces existing forms with a single DIR-3 KYC Web form.

[\(Link: MCA Update for Directors Dated 31/03/2026\)](#)

Amendments to Accounting Standard on Income Taxes (AS 22) to address OECD Pillar Two Global Tax Rules: It provides that AS 22 applies to taxes arising from legislation implementing Pillar Two rules, including qualified domestic minimum top-up taxes. However, enterprises are exempted from recognising or disclosing deferred tax assets and liabilities related to Pillar Two income taxes. Companies must disclose that they have applied this exception and separately report current tax expense or income related to such taxes.

The enterprises must provide qualitative and quantitative disclosures about potential exposure to these taxes. Small and Medium-sized Companies are exempt from certain disclosure requirements. The disclosure provisions are applicable from annual reporting periods beginning 1st April 2025.

[\(Link: MCA Notification Dated 10/03/2026\)](#)

MCA Advisory on Name Reservation & Incorporation for Company and LLP: The advisory states that proposed names should be distinctive and should not closely resemble existing or well-known names. A No Objection Certificate will not be considered where the proposed name is identical or similar to an existing name. It also prescribes time limits for reuse of names of dissolved, struck-off, or liquidated companies and LLPs. It requires regulatory approvals or NOCs when certain words such as 'Bank', 'Insurance', 'Architect', or professional designations are included in the name. Restrictions are also specified for the use of foreign country or city names and words implying government association. It also provides instructions relating to selection of NIC codes, consistency of objects, registered office documentation, and filings in SPICe+ and FiLLIP forms.

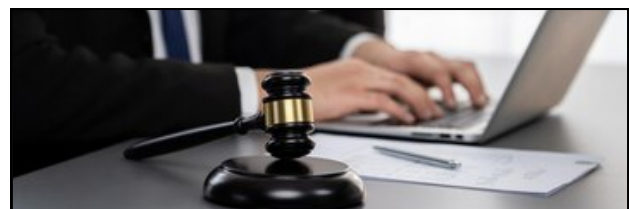
[\(Link: MCA Advisory Dated 12/03/2026\)](#)

Corporate Laws Amendment Bill 2026 introduced in Lok Sabha: The Bill proposes extensive amendments to the Limited Liability Partnership Act, 2008 and the Companies Act, 2013 with the objective of updating regulatory frameworks, improving compliance mechanisms, and aligning corporate practices with evolving financial and regulatory environments. Key proposals include decriminalizing minor offences, doubling the 'small company' threshold (turnover up to Rs 200 crore), increasing the CSR applicability threshold to Rs 10 crore profit, and enabling digital-first governance, such as virtual AGMs. It also introduces frameworks for converting specified trusts (e.g., SEBI/IFSC regulated) into Limited Liability Partnerships (LLPs), and enables IFSC-based LLPs to convert currency contributions.

[\(Link: Corporate Law Amendment Bill Dated 23/03/2026\)](#)

SC, No statutory mandate for Valuation Report for Reduction of Share Capital: Case of Pannalal Bhansali vs Bharti Telecom Limited, SC Judgement Dated 10th March 2026. The apex court held that section 66 of the Companies Act 2013 does not require mandatory obtaining or circulating of formal valuation report from an approved/registered valuer for reduction of share capital.

[\(Link: SC Judgement Dated 10/03/2026\)](#)





H. Insolvency and Bankruptcy Board of India (IBBI)

Electronic Filing of Forms to monitor Insolvency Resolution Processes for Personal Guarantors to Corporate Debtors: Previously, Resolution Professionals submitted periodic information through emails, which was considered inefficient. The new electronic platform provide for filing structured forms covering different stages of the process, including admission, report submission, public announcement, repayment plan, implementation, and periodic status updates. The forms, labelled PGIRP-1 to PGIRP-6, must be submitted within specified timelines, generally by the 10th day of the subsequent month after each procedural milestone. Insolvency professionals must upload forms with supporting documents using digital signatures or e-signatures, and they are responsible for ensuring accuracy and completeness.

(Link: [IBBI Circular Dated 06/02/2026](#))

SC Upheld Clean Slate Principle due to Binding Effect of Approved Resolution Plan: Case of Ujaas Energy Ltd vs WB Power Development Corp Ltd, SC Judgement Dated 20th March 2026. The apex court held that while claims not included in an approved resolution plan stand extinguished under the Insolvency and Bankruptcy Code, a plea of set-off may still be raised defensively in pending arbitral proceedings, so long as it does not result in any affirmative or independent recovery.

(Link: [SC Judgement Dated 20/03/2026](#))

NCLAT, Resolution Plans below Liquidation Value rejected, CoC Commercial Wisdom Upheld: Case of Goldendreams Buildcon Private Limited vs Snehal Arvind Kamdar, NCLAT Delhi Judgement Dated 24th March 2026. The appellate tribunal upheld that a resolution applicant cannot challenge Request for Resolution Plan (RFRP) clauses after submitting an Expression of Interest (Eoi). The CoC decision to reject resolution plans, particularly if they are below liquidation value, is viewed as part of their commercial wisdom.

(Link: [NCLAT Delhi Judgement Dated 24/03/2026](#))

NCLAT Upholds rejection of Homebuyer claim filed 4 days before CoC Vote on Resolution Plan: Case of Suman Chopra vs Arvind Kumar, NCLAT Delhi Judgement Dated 10th March 2026. The appellate tribunal upheld the rejection of a homebuyer's claim filed shortly before the Committee of Creditors (CoC) meeting scheduled to vote on a resolution plan,

holding that belated claims under the CIRP Regulations can only be admitted if they are submitted at least seven days prior to such meetings.

(Link: [NCLAT Delhi Judgement Dated 10/03/2026](#))

NCLAT, Insolvency Resolution to be undertaken on Project Specific Basis: Case of Gagan Tandon vs ILFS Financial Services Limited, NCLAT Delhi Judgement Dated 7th January 2026. The appellate tribunal held that Corporate Insolvency Resolution Proceeding (CIRP) should be restricted to specific project. Accordingly, held that project wise resolution of the Corporate Debtor needs to be proceeded with as required by law.

(Link: [NCLAT Delhi Judgement Dated 07/01/2026](#))

NCLAT, Liquidator has power to evict subsidiaries occupying Corporate Debtor Assets: Case of Fivebro Water Services Pvt Ltd vs Bijay Mururia, NCLAT Delhi Judgement Dated 7th January 2026. The appellate tribunal held that Liquidator, in discharge of duties under Section 35, was entitled to take custody and control of the assets of the Corporate Debtor forming part of the liquidation estate and recover outstanding dues. Since the premises belonged to the Corporate Debtor and the Appellants had continued in possession without clearing rental and licence fee liabilities, the directions issued by the Adjudicating Authority to vacate the premises and pay arrears were justified.

(Link: [NCLAT Delhi Judgement Dated 07/01/2026](#))

NCLAT, Demand notice under section 13(2) of SARFAESI is valid notice of Invocation of Guarantee: Case of Ujwal Gupta vs Union Bank of India, NCLAT Delhi Judgement Dated 7th January 2026. The appellate tribunal held that a demand notice under section 13(2) of the SARFAESI Act can constitute a valid invocation of a personal guarantee under the IBC. The tribunal held that the substance of the notice matters more than its label, and addressing the guarantor as a "director" does not invalidate the invocation if the intent to claim dues is clear.

(Link: [NCLAT Delhi Judgement Dated 07/01/2026](#))

NCLAT, Corp Guarantee capped below Rs 1 Crore threshold, CIRP not Maintainable: Case of Pravir Krishak vs Bank of Baroda, NCLAT Delhi Judgement Dated 7th January 2026. The appellate tribunal set aside order against a corporate guarantor because the total liability, including interest and charges, was contractually capped at Rs 75 lakh, failing to meet the threshold required for section 7 IBC proceedings. The ruling clarified that a capped guarantee amount limits the entire liability, making the insolvency plea non-maintainable.

(Link: [NCLAT Delhi Judgement Dated 07/01/2026](#))

NCLAT, CoC is bound by finality of resolution plan and cannot modify Post Approval: Case of Bank of Baroda vs IDBI Bank Limited, NCLAT Delhi Judgement Dated 23rd December 2025. The appellate tribunal held that post approval of Resolution Plan, the Committee of Creditors (CoC)

itself is also bound by its finality and cannot be allowed to tinker with or modify the resolution plan including mechanism of distribution. The appeal is dismissed.

(Link: [NCLAT Delhi Judgement Dated 23/12/2025](#))

NCLAT, Approved Resolution Plan could not be reopened or remanded by CoC: Case of Mehar Bhoomi Bhawan Private Limited vs Shashi Bhushan Prasad, NCLAT Delhi Judgement Dated 22nd December 2025. The appellate tribunal held that once a Resolution Plan was approved by the CoC and submitted for approval under Section 31 of IBC, the plan becomes binding inter se between the CoC and the Successful Resolution Applicant, and neither the CoC nor any subsequent reconstitution of the CoC can withdraw from or revisit the approved plan.

(Link: [NCLAT Delhi Judgement Dated 22/12/2025](#))

IBBI, Breach of Duty & GST Non-Compliance in CIRP led to suspension of IP Registration for two Years: The Disciplinary Committee found that despite a clear request from homebuyers holding over 33% voting rights, the professional failed to place the mandatory agenda for his replacement before the Committee of Creditors, misrepresented facts in meeting minutes, and did not verify voting share transparently. Further, he failed to comply with GST requirements by not obtaining registration within the prescribed period and did not raise invoices for professional fees, citing unjustified reasons. DC suspended the registration of the Insolvency Professional for two years.

(Link: [IBBI DC Order Dated 23/03/2025](#))

IBBI, RTI Not a Tool for clarifications or Policy Queries: The query relates to information about eligibility for the Pre-Registration Educational Course (PREC) required for enrolment with Insolvency Professional Agencies (IPAs). The appellant sought certified records showing whether graduates with 15 years of managerial experience are permitted by IBBI or specific IPAs to undertake the course and requested copies of approvals, communications, or guidelines confirming such eligibility. It was held that the authority is not obligated to create, interpret, or compile information in a new format or address grievances through RTI. Since the relevant regulatory framework and FAQs are publicly accessible, the appeal was disposed of.

(Link: [IBBI FAA Order Dated 10/03/2026](#))



I. Reserve Bank of India (RBI)

FEMA Adjudication Limits revised to expand Jurisdiction of Enforcement Officers: The notification amended the adjudication framework under the Foreign Exchange Management Act (FEMA) governing jurisdiction of Enforcement Directorate (ED) officers. Previously, Additional Directors handled cases between Rs 5 crore and Rs 10 crore, while Joint Directors handled cases between Rs 2 crore and Rs 5 crore. The revised notification expands the scope by prescribing that both categories will now handle cases involving amounts exceeding Rs 2 crore but not exceeding Rs 10 crore.

(Link: [Min Fin FEMA Notification Dated 18/03/2026](#))

Amendments to RBI FEMA Export and Import of Currency Regulations: Passengers bringing foreign exchange into the country, are required to declare foreign exchange in a Currency Declaration Form (CDF), when the aggregate value exceeds USD 10,000 or when foreign currency notes alone exceed USD 5,000 or its equivalent. The form must be presented to authorised banks or money changers when converting foreign currency into Indian rupees or reconverting rupees into foreign currency. Visitors who do not fully utilise the declared foreign exchange are required to retain the form and present it to customs authorities upon departure to take the unspent balance out of India.

(Link: [RBI FEMA Notification Dated 23/02/2026](#))

RBI Unique Identifiers in Financial Markets Directions 2026: The Master Direction consolidate existing circulars and standardise the use of Legal Entity Identifier (LEI) and Unique Transaction Identifier (UTI) in financial markets. LEI, a 20-character code, is mandated for all non-individual entities undertaking OTC transactions in specified markets, with thresholds for certain foreign exchange transactions. UTI, applicable from 1st January 2027, is required for all OTC derivative transactions to enhance reporting and transparency.

(Link: [RBI Master Directions 392/2026 Dated 27/03/2026](#))

RBI Small Finance Banks Prudential Norms on Declaration of Dividend Directions 2026: The Directions require banks to comply with regulatory capital requirements both before and after dividend payment and to report positive adjusted Profit After Tax (PAT), calculated after deducting 50% of net NPAs.

Dividend payout limits are linked to the Tier 1 capital ratio, with higher capital levels permitting higher payouts, subject to an overall cap of 75% of PAT. Extraordinary income, overstated profits identified by auditors, and certain reversals of provisions are excluded from dividend calculations. The Board must assess supervisory observations, auditors' reports, and capital projections before declaring dividends.

[\(Link: RBI Directions 391/2026 Dated 10/03/2026\)](#)

RBI Regional Rural Banks Prudential Norms on Declaration of Dividend Directions 2026: The Directions require banks to satisfy eligibility requirements including compliance with regulatory capital norms, maintenance of capital adequacy after dividend payout, positive Adjusted Profit After Tax (PAT), and absence of regulatory restrictions. Dividend payout limits are linked to the bank's Tier-1 capital ratio, with higher capital ratios allowing higher payouts, subject to an overall ceiling of 80% of PAT. Extraordinary income, overstated profits identified by auditors, and certain reversals of provisions are excluded from dividend calculations.

[\(Link: RBI Directions 390/2026 Dated 10/03/2026\)](#)

RBI Local Area Banks Prudential Norms on Declaration of Dividend Directions 2026: The Directions require banks to satisfy eligibility requirements including compliance with regulatory capital requirements, maintains positive adjusted profit after tax, and is not under regulatory restrictions. The maximum dividend permitted is linked to the bank's capital adequacy ratio (CAR), with higher capital levels allowing higher payout percentages, subject to an overall cap of 80% of PAT. It also prohibit payment of dividends from extraordinary profits, overstated profits, or unrealised gains.

[\(Link: RBI Directions 389/2026 Dated 10/03/2026\)](#)

RBI Payments Banks Prudential Norms on Declaration of Dividend Directions 2026: The Directions require banks to satisfy eligibility criteria such as compliance with regulatory capital requirements, maintaining positive Adjusted Profit After Tax (PAT), and absence of regulatory restrictions. Adjusted PAT is defined as PAT minus 50% of net NPAs. Dividend payouts are linked to the bank's Tier 1 capital ratio, with higher capital levels allowing larger payout percentages, subject to an overall ceiling of 75% of PAT. Extraordinary income, overstated profits identified by auditors, and certain reversals of provisions are excluded from dividend calculations.

[\(Link: RBI Directions 388/2026 Dated 10/03/2026\)](#)

RBI Commercial Banks Prudential Norms on Declaration of Dividend and Remittances of Profits Directions 2026: The Directions require banks to meet specified eligibility conditions, including compliance with regulatory capital requirements, positive adjusted profit after tax, and absence of regulatory restrictions before declaring dividends or remitting profits. The permissible dividend payout for banks incorporated in India is linked to the CET1 capital ratio and capped at 75% of PAT, with higher capital levels allowing higher payout percentages.

The Directions also prohibit dividend payments from extraordinary profits, overstated earnings, or unrealised valuation gains.

[\(Link: RBI Directions 387/2026 Dated 10/03/2026\)](#)

Assignment of Lead Bank Responsibility: The Lead Bank responsibility has been assigned to State Bank of India for new district Khushavati created in state of Goa.

[\(Link: RBI Circular 264/2026 Dated 31/03/2026\)](#)

RBI Trade Relief Measures Directions, 2026: In view of challenges faced by exporters due to geopolitical tensions and logistical disruptions, the relaxation regarding extending the time for realisation and repatriation of export proceeds from nine months to fifteen months, has been extended. Also, the enhanced export credit period for both pre-shipment and post-shipment credit has been extended to 450 days for disbursements made up to 30th June 2026.

[\(Link: RBI Circular 263/2026 Dated 31/03/2026\)](#)

Amendments to RBI Small Finance Banks Financial Statements- Presentation and Disclosures Directions: The key change is the restructuring of capital market exposure disclosures under 'Notes to Accounts', including introduction of a detailed reporting table. Banks must now disclose detailed exposure in categories such as investments in equity instruments, advances for share investments, collateral-backed loans, exposure to capital market intermediaries, underwriting commitments, and derivative-related trade exposures.

[\(Link: RBI Circular 262/2026 Dated 30/03/2026\)](#)

Amendments to RBI Small Finance Banks Prudential Norms on Capital Adequacy Directions: The amendments relating to risk-weighted assets (RWAs), clarifies that irrevocable payment commitments issued by banks to clearing corporations on behalf of clients shall be treated as financial guarantees with a credit conversion factor (CCF) of 100%. However, capital is required to be maintained only on the exposure classified as capital market exposure (CME), with a risk weight of 125%.

[\(Link: RBI Circular 261/2026 Dated 30/03/2026\)](#)





Amendments to RBI Small Finance Banks Concentration Risk Management Directions: The amendments introduce new definitions, including Capital Market Intermediaries, Collateral Security, Non-debt Mutual Funds, and Primary Security, while deleting certain earlier provisions. A comprehensive framework for Capital Market Exposure (CME) has been introduced, covering both direct and indirect exposures such as investments, credit facilities, underwriting commitments, and derivative exposures. Prudential ceilings have been prescribed, limiting aggregate CME to 40% of Tier 1 capital and direct exposure to 20% of eligible capital base, with provisions for intra-day exposure limits.

[\(Link: RBI Circular 260/2026 Dated 30/03/2026\)](#)

Amendments to RBI Small Finance Banks Credit Facilities Directions: The amendments redefine key terms such as collateral, capital market intermediaries (CMIs), eligible securities, loan-to-value (LTV), and margin. A new framework for loans against eligible securities prescribes LTV ceilings, valuation norms, prudential limits, and monitoring requirements. Certain loans are prohibited, including those against own securities, partly paid shares, and locked-in securities. The credit facilities to CMIs, permits specific financing activities while restricting lending for proprietary trading unless fully secured. All such exposures are to be treated as capital market exposure (CME).

[\(Link: RBI Circular 259/2026 Dated 30/03/2026\)](#)

Amendments to RBI Commercial Banks Undertaking of Financial Services Directions: The amendments expand permissible financial services by allowing acquisition finance and bridge finance for funding promoters' stake in new companies and clarify provisions relating to lending to individuals against eligible securities.

[\(Link: RBI Circular 258/2026 Dated 30/03/2026\)](#)

Amendments to RBI Commercial Banks Financial Statements- Presentation and Disclosures Directions: The amendment introduce a detailed disclosure format for 'Exposure to Capital Markets'. Banks are required to provide detailed reporting of capital market exposures, including direct investments, advances against securities, acquisition and bridge finance, funding to intermediaries, underwriting commitments, and derivative-related exposures.

[\(Link: RBI Circular 257/2026 Dated 30/03/2026\)](#)

Amendments to RBI Commercial Banks Prudential Norms on Capital Adequacy Directions: The amendment clarifies that irrevocable payment commitments (IPCs) issued by banks to clearing corporations on behalf of clients shall be treated as financial guarantees with a credit conversion factor of 100%. However, capital is required to be maintained only on the portion classified as capital market exposure (CME) under the relevant concentration risk management framework. The applicable risk weight for such exposure has been prescribed at 125%.

[\(Link: RBI Circular 256/2026 Dated 30/03/2026\)](#)

Amendments to RBI Commercial Banks Concentration Risk Management Directions: The amendments expand the scope of Capital Market Exposure (CME), and introduce comprehensive exposure norms, including both direct and indirect exposures such as investments, credit facilities, underwriting commitments, and bridge/acquisition finance. The revised framework sets prudential ceilings, aggregate CME capped at 40% of eligible capital base, direct exposure at 20%, and acquisition finance exposure at 20%. It also introduces detailed computation methods and specifies exclusions for certain investments and infrastructure entities.

[\(Link: RBI Circular 255/2026 Dated 30/03/2026\)](#)

Amendments to Commercial Banks Credit Facilities Directions: The amendments introduce detailed definitions for acquisition finance, bridge finance, collateral, and capital market intermediaries, while setting clear eligibility, prudential limits, and governance requirements. Banks are permitted to extend acquisition finance subject to strict conditions, including financial strength of borrowers, maximum financing cap of 75% of acquisition value, debt-equity ratio limits, and mandatory board-approved policies. It also governs loans against eligible securities by prescribing loan to value ratios, exposure caps, and restrictions on speculative lending.

[\(Link: RBI Circular 254/2026 Dated 30/03/2026\)](#)

External Commercial Borrowing (ECB) Reporting Rules Revised: The circular clarifies that Form ECB 1 and Revised Form ECB 1 will be treated as returns that do not capture financial flows, affecting computation of Late Submission Fees (LSF). It provides that each delayed submission of Form ECB 2 under a Loan Registration Number will be treated as a separate instance for LSF calculation. Authorised Dealer Category I banks are required to submit complete returns to the RBI within seven days of receipt from borrowers.

[\(Link: RBI Circular 253/2026 Dated 30/03/2026\)](#)

Caping of NOP-INR at USD 100 Million to Control Forex Risk Exposure: RBI has directed Authorised Dealers to maintain their Net Open Position in INR (NOP-INR) within a limit of USD 100 million in the onshore deliverable market at the end of each business day.

[\(Link: RBI Circular 252/2026 Dated 27/03/2026\)](#)

Updates on UNSC Sanctions List Under UAPA Compliance: MEA has informed about the UNSC amendments on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities, which are subject to the assets freeze, travel ban and arms embargo. Regulated Entities (REs) are advised to take note for necessary compliance in terms of Master Directions on KYC.

(Link: [RBI Circular 251/2026 Dated 27/03/2026](#))

Currency Chest operations on 31st March 2026: The RBI has directed that all banks holding Currency Chests (CCs) to keep them operational on 31st March 2026, despite the day being a public holiday. It intends to ensure smooth processing and settlement of government related transactions before the close of the financial year.

(Link: [RBI Circular 250/2026 Dated 16/03/2026](#))

Amendments to RBI Rural Cooperative Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 249/2026 Dated 16/03/2026](#))

Amendments to RBI Urban Cooperative Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 248/2026 Dated 16/03/2026](#))

Amendments to RBI Regional Rural Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 247/2026 Dated 16/03/2026](#))

Amendments to RBI Local Area Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 246/2026 Dated 16/03/2026](#))

Amendments to RBI Payments Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 245/2026 Dated 16/03/2026](#))

Amendments to RBI Small Finance Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 244/2026 Dated 16/03/2026](#))

Amendments to RBI Commercial Banks Financial Statements: Presentation and Disclosures Directions: Under the revised provision, banks must disclose in their annual reports whether the deposit insurance premium payable to DICGC was paid within the prescribed timelines. If there are any delays or arrears in payment, such non-compliance must also be clearly disclosed.

(Link: [RBI Circular 243/2026 Dated 16/03/2026](#))

Updates on UNSC Sanctions List Under UAPA Compliance: MEA has informed about the UNSC amendments on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities, which are subject to the assets freeze, travel ban and arms embargo. Regulated Entities (REs) are advised to take note for necessary compliance in terms of Master Directions on KYC.

(Link: [RBI Circular 242/2026 Dated 10/03/2026](#))



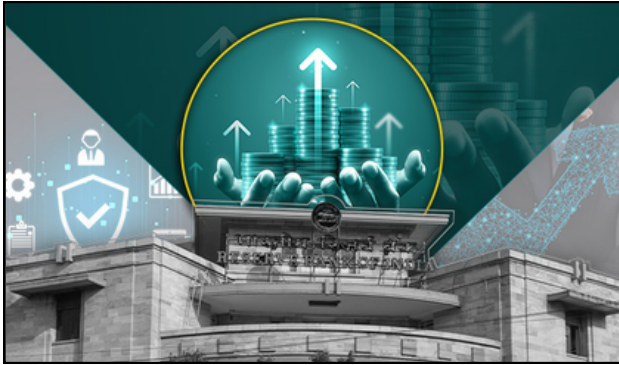
Amendments to RBI All India Financial Institutions (AIFIs) Prudential Norms on Capital Adequacy Directions: The amendments require AIFIs to include counterparty credit risk (CCR) exposures of all consolidated entities when calculating capital requirements on a consolidated basis. It also introduce revised add-on factors for market-related off-balance sheet items such as interest rate contracts, exchange rate contracts, equities, precious metals, and other commodities depending on residual maturity. When an AIFI acts as a clearing member of a qualified central counterparty (QCCP), a risk weight of 2% applies to trade exposures arising from derivatives and securities financing transactions.

(Link: [RBI Circular 241/2026 Dated 10/03/2026](#))

Amendments to RBI Payments Banks Prudential Norms on Capital Adequacy Directions: The amendments relates to the treatment of counterparty credit risk (CCR) when calculating capital requirements.

It update add-on factors for market-related off-balance sheet items such as exchange rate contracts and gold, based on residual maturity periods. It clarifies that the prescribed add-on factors apply to all outstanding counterparty credit risk (CCR) exposures. When a bank acts as a clearing member of a qualified central counterparty (QCCP), a risk weight of 2% applies to trade exposures arising from derivatives and securities financing transactions.

[\(Link: RBI Circular 240/2026 Dated 10/03/2026\)](#)



Amendments to Small Finance Banks Prudential Norms on Capital Adequacy Directions: The amendment clarify the treatment of total Counterparty Credit Risk (CCR) exposures. It revise add-on factors for market-related off-balance sheet items across interest rate, exchange rate, equity, precious metals, and commodity contracts based on residual maturity. It introduces clarifications on residual maturity calculation for contracts that periodically reset to zero market value and prescribes a minimum add-on factor for certain interest rate contracts. When a bank acts as a clearing member of a qualified central counterparty (QCCP), a risk weight of 2% applies to trade exposures arising from derivatives and securities financing transactions.

[\(Link: RBI Circular 239/2026 Dated 10/03/2026\)](#)

Amendments to RBI Commercial Banks Prudential Norms on Capital Adequacy Directions: The banks, when computing capital requirements on a consolidated basis, are required to include Counterparty Credit Risk (CCR) exposures of all entities within the consolidation scope under the capital adequacy framework. It revise add-on factors for market-related off-balance sheet exposures such as interest rate, exchange rate, equity, precious metal, and commodity contracts based on residual maturity. When a bank acts as a clearing member of a qualified central counterparty (QCCP), a risk weight of 2% applies to trade exposures arising from derivatives and securities financing transactions.

[\(Link: RBI Circular 238/2026 Dated 10/03/2026\)](#)

Repeal of RBI Local Area Banks Prudential Norms on Declaration of Dividends Directions 2025: The previous regulatory framework governing dividend declaration and profit remittance by Local Area Banks has been repealed, and replaced with the updated regulatory framework as per 2026 Directions dated 10th March 2026.

[\(Link: RBI Circular 237/2026 Dated 10/03/2026\)](#)

Repeal of RBI Payment Banks Prudential Norms on Declaration of Dividends Directions 2025: The previous regulatory framework governing dividend declaration and profit remittance by Payments Banks has been repealed, and replaced with the updated regulatory framework as per 2026 Directions dated 10th March 2026.

[\(Link: RBI Circular 236/2026 Dated 10/03/2026\)](#)

Repeal of RBI Small Finance Banks Prudential Norms on Declaration of Dividends Directions 2025: The previous regulatory framework governing dividend declaration and profit remittance by Small Finance Banks has been repealed, and replaced with the updated regulatory framework as per 2026 Directions dated 10th March 2026.

[\(Link: RBI Circular 235/2026 Dated 10/03/2026\)](#)

Repeal of RBI Commercial Banks Prudential Norms on Declaration of Dividend and Remittance of Profit Directions 2025: The previous regulatory framework governing dividend declaration and profit remittance by Commercial Banks has been repealed, and replaced with the updated regulatory framework as per 2026 Directions dated 10th March 2026.

[\(Link: RBI Circular 234/2026 Dated 10/03/2026\)](#)

Amendments to RBI Setting Up of Wholly Owned Subsidiaries by Foreign Banks Guidelines: The amendments modify Paragraph 13 relating to declaration of dividends by wholly owned subsidiaries (WOS) of foreign banks operating in India. A WOS incorporated in India may declare dividends in the same manner as domestic banks, subject to the prudential conditions specified in the RBI dividend and profit remittance directions. The declared dividends may be repatriated in accordance with the provisions of Foreign Exchange Management Act 1999.

[\(Link: RBI Circular 233/2026 Dated 10/03/2026\)](#)

Amendments to RBI Standalone Primary Dealers Directions: The amendment clarify the components and computation of Tier 1 capital and its application for exposure norms. It specifies that Tier 1 capital for Standalone Primary Dealers (SPDs) will include paid-up capital, statutory reserves, other disclosed free reserves, and eligible quarterly profits, subject to conditions. Quarterly profits can be included only if financial statements undergo limited review or audit by statutory auditors, and the eligible amount must be reduced by the average dividend paid during the previous three years based on a prescribed formula. It also mandate deduction of losses in the current year, investments in subsidiaries, intangible assets, deferred tax assets, and carried-forward losses while computing Tier 1 capital.

[\(Link: RBI Circular 232/2026 Dated 10/03/2026\)](#)

Amendments to RBI Asset Reconstruction Companies Directions: The amendment clarify the components considered in the computation of Owned Fund of Asset Reconstruction Companies (ARCs). It permit inclusion of free reserves (excluding revaluation reserves) and quarterly profits in owned fund calculations.

Further, the eligible profit must be adjusted by deducting average dividend paid during the previous three financial years, calculated through a prescribed formula. It also require that losses in the current financial year be fully deducted from owned funds.

[\(Link: RBI Circular 231/2026 Dated 10/03/2026\)](#)



Amendments to RBI Mortgage Guarantee Companies Directions: The amendments clarify the computation of Owned Fund and the determination of Tier 1 Capital for compliance with credit and investment concentration norms. It define Owned Fund as paid-up equity capital, free reserves including quarterly profits, contingency reserves maintained under the Directions, share premium balance, and capital reserves arising from asset sale proceeds, excluding revaluation reserves. These must be reduced by accumulated losses, intangible assets, and deferred revenue expenditure, and average dividend paid in the previous three years using a prescribed formula.

[\(Link: RBI Circular 230/2026 Dated 10/03/2026\)](#)

Amendments to RBI Core Investment Companies Directions: The amendments relate to computation of Owned Fund. It define Owned Fund as paid-up equity capital, free reserves including quarterly profits, contingency reserves maintained under the Directions, share premium balance, and capital reserves arising from asset sale proceeds, excluding revaluation reserves. These must be reduced by accumulated losses, intangible assets, and deferred revenue expenditure, and average dividend paid in the previous three years using a prescribed formula.

[\(Link: RBI Circular 229/2026 Dated 10/03/2026\)](#)

Amendments to RBI Housing Finance Companies Directions: The amendments clarify the computation of Owned Fund. It define Owned Fund as paid-up equity capital, free reserves including quarterly profits, contingency reserves maintained under the Directions, share premium balance, and capital reserves arising from asset sale proceeds, excluding revaluation reserves. These must be reduced by accumulated losses, intangible assets, and deferred revenue expenditure, and the average dividend paid in the previous three years using a prescribed formula.

[\(Link: RBI Circular 228/2026 Dated 10/03/2026\)](#)

Amendments to RBI NBFC Concentration Risk Management Directions: The amendments clarify the definition and treatment of Tier 1 capital and owned funds for compliance with credit and investment concentration norms. It mandates that NBFCs must obtain an external auditor's certificate after capital augmentation before recognizing additions to capital funds for the purpose of concentration norm compliance. Also, the applicable Tier 1 capital for meeting exposure limits must be determined based on the NBFC's latest available financial statements, whether audited or subject to limited review.

[\(Link: RBI Circular 227/2026 Dated 10/03/2026\)](#)

Amendments to RBI NBFC Prudential Norms on Capital Adequacy Directions: The amendments clarify the components to be considered while computing Owned Fund. The revised provision allows quarterly profits to be included as part of free reserves in the calculation of owned funds, subject to specified safeguards. The financial statements must undergo quarterly limited review or audit by statutory auditors before such profits are considered. Further, the eligible profit amount must be adjusted by deducting a portion linked to the average dividend paid during the previous three financial years using a prescribed formula.

[\(Link: RBI Circular 226/2026 Dated 10/03/2026\)](#)

Updates on UNSC Sanctions List Under UAPA Compliance: MEA has informed about the UNSC amendments on its ISIL (Da'esh) and Al-Qaida Sanctions List of individuals and entities, which are subject to the assets freeze, travel ban and arms embargo. Regulated Entities (REs) are advised to take note for necessary compliance in terms of Master Directions on KYC.

[\(Link: RBI Circular 225/2026 Dated 02/03/2026\)](#)

Withdrawal of Rs 2000 Denomination Banknotes Status: The Reserve Bank of India (RBI) had announced the withdrawal of Rs 2000 denomination banknotes from circulation vide Press Release dated 19th May 2023. These notes can be exchanged/ deposited/ send through India Post from any post office in the country, to any of the 19 RBI Issue Offices for credit to their bank accounts in India. The ₹2000 banknotes continue to be legal tender. The total value of Rs 2000 banknotes in circulation, which amounted to Rs 3.56 lakh crore, has declined to Rs 5551 crore as at the close of business on 28th February 2026. Thus, 98.44% of the banknotes has since been returned.

[\(Link: RBI Press Release Dated 02/03/2026\)](#)





J. Miscellaneous

ICAI Mandates Guidance Notes for LLPs & Non-Corporates in Two Phases: The Institute of Chartered Accountants of India (ICAI) has announced the phased applicability of the Guidance Note on Financial Statements of Non-Corporate Entities and Limited Liability Partnerships for annual reporting periods starting 2025–26. Phase I applies to accounting periods beginning on or after 1st April 2025 and covers entities with turnover exceeding ₹5 crore. Phase II extends applicability to all such entities for accounting periods beginning on or after 1st April 2026.

(Link: [ICAI Announcement Dated 31/03/2026](#))

ICAI Defers SQM 1 and SQM 2 Implementation: The Standards on Quality Management (SQM 1 and SQM 2) were scheduled to come into force from 1st April 2026. These standards were intended to replace the existing Standard on Quality Control (SQC 1), which has been in force since 2009 and governs quality control for audit and assurance engagements. ICAI has decided to postpone the implementation of SQM 1 and SQM 2 until further notice. As a result, SQC 1 will continue to remain applicable to audit firms and professionals for the time being.

(Link: [ICAI Announcement Dated 31/03/2026](#))

Small Savings Schemes Interest Rates for April to June 2026: Ministry of Finance has announced that the interest rates on all Small Savings Schemes for the first quarter of FY 2026–27 (1 April 2026 to 30 June 2026) will remain unchanged from those applicable in the fourth quarter. Accordingly, rates such as 4.0% on Savings Deposits, 6.9% to 7.5% on Time Deposits, 6.7% on 5-Year Recurring Deposits, 8.2% under the Senior Citizen Savings Scheme, 7.4% under the Monthly Income Account Scheme, 7.7% for National Saving Certificates, 7.1% for Public Provident Fund, 8.2% for Sukanya Samridhi Account Scheme and 7.5% for Kisan Vikas Patra (maturing in 115 months) continue without change.

(Link: [Fin Min DEA OM Dated 30/03/2026](#))

CCPA, Restaurants cannot Levy LPG Charges as Separate Fees: The Central Consumer Protection Authority (CCPA) has directed hotels and restaurants not to levy additional charges such as 'LPG charges', 'gas surcharge', or similar fees by default on consumer bills.

It clarified that operational costs like fuel, LPG, and electricity are already embedded in the pricing of food and services and cannot be recovered separately from consumers.

(Link: [CCEA Advisory Dated 25/03/2026](#))

India Eases FDI Rules- Press Note 3 Relaxations: The cabinet has approved amendments to the foreign direct investment (FDI) regime in India with respect to investments into India with beneficial ownership originating from countries sharing land borders with India (LBCs). The investments from these countries will now be allowed with non-controlling beneficial ownership of up to 10% through the automatic route, subject to sectoral caps and disclosure requirements. Earlier, overseas firms with shareholders from these nations had to seek mandatory approval to invest in India in any sector. It also provides a definitive 60 day timeline for clearing investment proposals from these countries in specified manufacturing sectors.

(Link: [Press Release Dated 10/03/2026](#))

SC, Privy purses and other privileges to erstwhile Princely States ruler does not have Legally Enforceable Right: Case of Mizo Chief Council Mizoram vs Union of India, SC Judgement Dated 13th March 2026. The apex court held that the privy purses and other privileges granted to the erstwhile rulers of the Princely States were the direct outcome of political and contractual arrangements. Such political arrangements cannot be claimed as a matter of a legally enforceable right. Thus, acquisition of land of chieftains without compensation is not violative of fundamental rights.

(Link: [SC Judgement Dated 13/03/2026](#))

SC, Income of parent cannot be sole factor for determining status of OBCs Creamy Layer of Candidate: Case of Union of India vs Rohith Nathan, SC Judgement Dated 11th March 2026. The apex court held that mere determination of the status of a candidate as to whether he/she falls within the creamy layer or the non-creamy layer of the OBCs cannot be decided solely on the basis of the income of their parents.



The authorities must also look at the parents' job and social position. The court also said that similar people should not be treated differently.

[\(Link: SC Judgement Dated 11/03/2026\)](#)



SC, Acquisition of property with token amount of Rs. 1 compensation was arbitrary & unfair: Case of Anurag Krishna Sinha vs State of Bihar, SC Judgement Dated 10th March 2026. The apex court struck down the Bihar law that allowed the State to take over a historic library for a token compensation of just one rupee, holding that such a provision was 'confiscatory' and failed constitutional scrutiny. The deprivation of property must be based on law which is 'just, fair and reasonable'.

[\(Link: SC Judgement Dated 10/03/2026\)](#)

SC held Arbitral Tribunal cannot grant pre-award or pendente lite interest when Excluded in Contract: Case of Union of India vs Larsen & Tubro Limited, SC Judgement Dated 27th February 2026. The apex court held that once the parties had contractually agreed to exclude interest, Arbitral Tribunal, being a creature of the contract, could not award pre-award or pendente lite interest even in the guise of "compensation".

However, post-award interest stood on a different footing. The Arbitral Tribunal was justified in granting post-award interest.

[\(Link: SC Judgement Dated 27/02/2026\)](#)

HC, Coconut Held is Fruit Under EPF Act Due to Beneficial Interpretation of Welfare Law: Case of Union of India vs Shriram Coconut Products (P) Limited, HC Delhi Judgement Dated 12th March 2026. HC held that desiccation of coconut constitutes 'preservation' and that coconut is considered a 'fruit' under the Employees' Provident Funds and Miscellaneous Provisions Act (EPF Act). It thus ruled that the business of processing coconut (desiccation) falls under the purview of EPF Act.

[\(Link: HC Delhi Judgement Dated 12/03/2026\)](#)

NCLAT, Penalty for Bid Rigging upheld as Cartelisation in Tender Established: Case of Klassy Enterprises vs Competition Commission of India, NCLAT Delhi Judgement Dated 7th January 2026. The appellate tribunal held that cartelisation and bid rigging/ collusive bidding in tender is clearly established in public welfare tender by common IP address and identical bidding. Accordingly, penalty for being engaged in bid rigging and cartelisation has been duly imposed.

[\(Link: NCLAT Delhi Judgement Dated 07/01/2026\)](#)

Disclaimer:

The contents of this article are for informational purposes only. The user may refer to the relevant notification/ circular/ decisions issued by the respective authorities for specific interpretation and compliances related to a particular subject matter).



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Indirect & Direct Taxes updates March-2026



Indirect Taxes Updates

GST Compliance Calendar – Returns to be filed in the M/O March, 2026

GST Return Form Name	Filing Period	Due Dates in April 2026
GSTR-1 (Outward return)	Monthly (March 2026)	11 th April 2026
GSTR 3B (Tax summary return)	March 2026	20 th April 2026 (In case Aggregate turnover more than Rs. 5 crore in the previous Year). 22 nd / 24 th April 2026 (in case Aggregate turnover less than or equal to Rs 5 crore in the previous financial year registered in X /Y category respectively).
GSTR 5A (online information & data access)	March 2026	20 th April 2026
GSTR 05 (by non-taxable resident persons)	March 2026	20 th April 2026
GSTR 06 (ISD)	March 2026	13 th April 2026
GSTR 07 (TDS)	March 2026	10 th April 2026
GSTR 08 (TCS)	March 2026	10 th April 2026
ITC-04 (Job Work)	October 2025 – March 2026	25 th April 2026

Important News update

Major GST Compliance Changes w.e.f. 1st April 2026

- LUT Filing for FY 2026-27 - A new Letter of Undertaking (LUT) is required for FY 2026-27 for businesses engaged in exports or supplies to SEZ units without payment of IGST, as the previous LUT for FY 2025-26 expired on 31 March 2026.
- Export Refund Threshold Removed - The condition that refund applications below Rs. 1,000 would not be processed has been removed from 1st April 2026. Every valid export refund claim, regardless of amount, will now be processed. Small claims that were earlier ignored can now be filed and recovered.
- Start a New Invoice Series for FY26-27 - All enterprises must start a fresh document series from 1st April 2026 for invoices, debit notes, and credit notes.

- **E-Invoice Compliance** - E-Invoicing becomes mandatory from 1st April 2026 if the aggregate annual turnover (AATO) of GSTIN/branch/unit exceeds Rs. 5 crore.
- **Enhanced ITD Monitoring** - Implementation of improved input tax credit monitoring mechanism, including enhanced reconciliation tools such as Electronic Credit Reversal and Reclaimed statement.

Payment of pre-deposit while filing of appeal before First Appellate authority - The GSTN issued an important advisory regarding payment of the mandatory pre-deposit while filing an appeal before the First Appellate Authority under GST. It was observed that sometimes taxpayers voluntarily pay amounts during the investigation stage using Form GST DRC-03. Later, when filing an appeal against a demand order such as Form GST DRC-07, the GST portal may still require payment of the pre-deposit because payments made through DRC-03 are not automatically linked to the Demand ID in the Electronic Liability Register. The system calculates the required payment for appeal based on the admitted amount and mandatory pre-deposit recorded against the Demand ID. If payments made through the portal's "Payment towards Demand" function are reflected against the Demand ID, they are considered for the pre-deposit requirement. However, payments through DRC-03 must first be linked to the demand by filing Form GST DRC-03A. Once linked, the system recognizes the payment and adjusts it while calculating the required pre-deposit for appeal. (Advisory No. 652 dated March 14, 2026, regarding payment of pre-deposit while filing appeals before the First Appellate Authority.)



Confirmation of "Tax Liability Breakup, As Applicable" in GSTR-3B - The GSTN issued an important advisory regarding confirmation of the "Tax Liability Breakup, As Applicable" tab in Form GSTR-3B. Under Section 50 of the CGST Act, 2017, interest is payable when tax liability relating to a previous tax period is discharged in a subsequent tax period. The "Tax Liability Breakup" tab in GSTR-3B is designed to capture such liabilities where supplies of earlier periods are reported and paid in the current tax period. From the February 2026 tax period onwards, the GST portal auto-populates this breakup based on document dates of supplies reported in GSTR-1, GSTR-1A, or the Invoice Furnishing Facility (IFF). After offsetting liability in GSTR-3B, taxpayers must open the tab on the payment page and confirm the breakup by clicking "SAVE" or editing it if required before filing the return through EVC or DSC.

GSTN acknowledged feedback that confirmation is currently required even where no prior-period liability exists and stated that the issue is under resolution. (Advisory No. 653 dated 16th March, 2026, regarding confirmation of "Tax Liability Breakup, As Applicable" in GSTR-3B).

Undelivered welcome kit can lead to suspension of GST Registration - Businesses that have recently obtained a goods and services tax (GST) registration should ensure that their registered business address is correct and accessible. Tax experts warn that GST registrations may be suspended if the physical "welcome kit" sent by the tax department is returned undelivered. "In many instances, in the case of new GST registrations, the welcome letter returns unserved. This is due to the fact that premises may be locked or the entity, being a new entity, may not yet be located at the premises. In such cases, many times a show-cause notice is served for cancellation of registration, as the department is of the view that such entities are fake or fictitious entities," an tax expert said. The issue surfaced after the introduction of a faster GST registration process under Rule 14A of the CGST Rules, which allows low-risk applicants to receive registration quickly through PAN and Aadhaar authentication. In many cases, GST numbers are issued within hours. However, after registration is granted, the GST department sends a welcome kit through India Post to the declared business address as part of the verification process. If the postal department fails to deliver the welcome kit and is returned to the authorities, the GST system may interpret it as a sign that the business is not operating from the declared address. "In such cases, officials may suspend the GST registration under Section 29. The provisions empowering the cancellation of GST registration are contained in Section 29 of the CGST Act.

Bombay HC cancels ₹400 crore GST penalties on Shemaroo execs, limits personal liability, bars retrospective enforcement - The Bombay High Court on Wednesday set aside personal penalties exceeding ₹400 crore imposed on three senior executives of Shemaroo Entertainment Ltd., holding that the proceedings were without jurisdiction and violated both statutory requirements and constitutional safeguards. The Division Bench of Justices G.S. Kulkarni and Aarti Sathe allowed writ petitions filed by Amit Haria, Hiren Gada and Atul Maru, quashing penalties of about ₹133.61 crore each imposed on them under Section 122(1A) of the Central Goods and Services Tax (CGST) Act. The judgment clarifies the scope of personal liability under GST and raises broader questions about how enforcement actions against company officials are structured.

Hookah served in restaurants to attract up to 40% GST: West Bengal AAR - The West Bengal Authority for Advance Ruling (AAR) has ruled that hookah served in restaurants along with food will no longer attract the concessional 5% GST rate applicable to restaurant services. This effectively increases the tax incidence on such supplies to 18% in the case of non-tobacco variants and 40% plus applicable compensation cess in the case of tobacco-based products.

India's GST collections rise 8.1% YoY to Rs 1.83 lakh crore in February 2026 - India's gross Goods and Services Tax (GST) collection rose to Rs 1.83 lakh crore in February 2026, reporting a rise of by 8.1% as compared to the same period last month, as per official data released on 1st March, 2026. The total gross GST revenue for FY26 as on February 28 stood at Rs 20.27 lakh crore, up 8.3% YoY. Total refunds stood at Rs 22,595 crore, up by 10.2% YoY, resulting in net GST revenue of Rs 1.61 lakh crore in February.

India's GST collections rise 8.2% in March 2026 to hit Rs. 1.78 lakh crore - Net GST collection climbed 8.2 per cent to Rs 1.78 lakh crore, supported by higher inflows across central, state and integrated GST. For the full financial year, GST collections stood at Rs 22.27 lakh crore in FY26, marking an 8.3 per cent increase over the previous year.

GST registrations rose over 5 lacs in 4 months - With ease of process, number of GST registrations has seen monthly average growth of over 1.25 lakh between November and February, data from GST portal showed. While Uttar Pradesh continues to have maximum number of GST registrations, Maharashtra recorded maximum addition in the four months period.

According to the GST portal, total number of GST identification number was over 1.56 crore on 31st October, 2025, which rose to over 1.61 crore on 28th February, 2026 showing an increase of over 5.16 lakh.

Recent Circulars/ Notifications

Government of Maharashtra waives requirement of e-way bill for motor vehicles transported for road testing - The Maharashtra State Tax Department issued a notification granting conditional exemption from generating an e-way bill for motor vehicles transported for road testing purposes, where such movement is not considered a supply. The relief was provided after recognizing genuine operational difficulties faced by the taxpayer and is valid for FY 2025-26. Instead of an e-way bill, vehicles may be moved under a delivery challan, subject to strict compliance conditions, including execution of a bond covering vehicle value, maintenance of detailed records, use of trade plates, and submission of monthly reports to authorities. The exemption applies strictly to non-supply movement for testing purposes and requires accountability for all vehicles dispatched and returned. Any breach of conditions may lead to withdrawal of the permission without prior notice. (Notification No. SGST/e-way bill/03/2025-26 dated 13th March, 2026)

GSTAT Clarifies Mandatory Documents in Appeals to Avoid Filing Defects - The GST Appellate Tribunal (GSTAT) has issued procedural instructions governing the filing of appeals under Section 112 of the GST law. It mandates that Form APL-05 must include soft copies of key documents such as the Show Cause Notice (SCN), Order-in-Original (OIO), Order-in-Appeal (OIA), statement of facts, and grounds of appeal. Payment of pre-deposit and court fees is compulsory for taxpayers unless exempted by higher court orders, in which case no defect should be flagged.

Appeals can also be filed with scanned certified copies of orders, provided their authenticity is verified by the scrutiny officer. Additionally, appellants must upload authorization documents or vakalatnama for representation. For departmental appeals, submission of specified documents including the Commissioner's opinion is required, but no court fee or pre-deposit applies. A single verification and digital signature by the appellant is mandatory. These guidelines aim to streamline appeal filing and reduce procedural defects. (Instructions - F. No-GSTAT/ Pr. Bench/Portal/125/2025-26/3368 dated: -10th March, 2026)



CGST Issues Advisory Warning Against Fake GST Officers Impersonating Tax Officials - The Office of the Principal Chief Commissioner of Central Tax, Bengaluru Zone issued Trade Notice warning trade and industry about incidents of individuals impersonating Central GST officers. The notice clarifies that CGST officers do not demand payments in cash or through personal bank accounts, UPI IDs, wallets, or other unofficial channels, and they do not seek personal or sensitive information through phone calls, SMS, WhatsApp, or personal email. Official communications are made only through the GST portal, government email IDs ending with "@gov.in," or notices and summons bearing a valid Document Identification Number (DIN). Inspection, search, and seizure proceedings are conducted under Section 67 of the CGST Act, 2017 only by properly authorized officers carrying government photo identification and written authorization specifying details of the premises and taxpayer. Taxpayers are advised to verify officers' identity cards, written authorization, and DIN before allowing entry. (Trade Notice No. 02/2026 dated 17th March, 2026)

Indore SEZ Advises Units Not to Avail IGST Exemption on Canteen Services provided for employees - The Office of the Development Commissioner, Indore Special Economic Zone (SEZ) has issued a circular advising SEZ units not to avail Integrated Goods and Services Tax (IGST) exemption on canteen services provided for employees. The direction has been issued in light of audit observations and the decision taken by the Board of Approval (BoA) for SEZs. According to Circular issued, several SEZ units were found to be availing IGST exemption on canteen services procured from Domestic Tariff Area (DTA) service providers for their employees. During audits conducted under Rule 79 of the SEZ Rules, 2006 by the Office of the Commissioner of Customs, Indore,

it was observed that such services were being treated as part of authorized operations by certain units. However, audit findings indicated that canteen services for employees do not qualify as authorized services eligible for GST exemption. In view of this decision, all SEZ units have been advised not to avail IGST exemption on canteen services. (Circular issued vide F. No. A-55/ISEZ/OC/2009-10/20/4 dated 11th March 2026)

Important Cases

Clerical Mistakes in GST Returns Not a Valid Reason to Deny Export Refunds: SC - The Hon'ble Supreme Court held that genuine refund claims should not be denied due to minor clerical errors when tax has actually been paid. (M/s Shree Nanak Ferro Alloys Pvt. Ltd. Vs Union of India and others dated 16th March 2026)

Refund Rejection without due procedure invalid - The Hon'ble Allahabad High Court quashed the refund rejection order and held that tax authorities must follow statutory procedures before denying refunds or adjusting tax liabilities. (M/s Nutech Jetting Equipment India Pvt. Ltd. Vs Union of India)

Limitation period for GST Refund claims - The Hon'ble Karnataka Court held that the two-year limitation under Section 54 of the Central Goods and Services Tax Act, 2017 is mandatory, and tax authorities cannot entertain belated refund claims, as GST is a strict, time-bound statutory scheme linked to Sections 73 and 74. While the CGST Act provides no power to condone delay, constitutional courts under Article 226 can grant relief, especially where tax was collected without authority of law (Article 265), and statutory remedies are inadequate. High Courts can condone delay on a case-by-case basis, but must preserve Revenue rights by granting corresponding extensions for departmental proceedings, treating the claim as within limitation, while generally refraining from deciding refund merits unless entitlement is undisputed. (Assistant Commissioner Of Central Taxes Bengaluru, Central Board Of Indirect Taxes And Customs, New Delhi Versus M/s Merck Life Science Private Limited. dated 17th March.2026)



Distribution of Credit by ISD in Same Month - The Hon'ble Madras High Court held that the distribution of Input Tax Credit (ITC) by an Input Service Distributor ("ISD") is triggered only upon fulfillment of conditions under Section 16(2) of the Central Goods and Services Tax Act, 2017 ("the CGST Act") and not merely upon receipt or issuance of a tax invoice by supplier(s).

The Court further held that Rule 39(1)(a) of the Central Goods and Services Tax Rules, 2017 ("the CGST Rules"), which mandates distribution of ITC in the same month as the underlying invoice, cannot be interpreted to require distribution before the conditions of Section 16(2) are satisfied, and remanded the show cause notices back to the Adjudicating Authority for fresh consideration in light of this interpretation. (Reliance Jio Infocomm Ltd. v. Union of India [W.P. Nos. 27038 & 28371 of 2025 dated 5th March, 2026])

Karnataka HC : GST Refund Cannot Be Denied for Failure to File LUT Before Export - The Hon'ble Karnataka High Court held that the refund was rejected solely on the ground that the Petitioner did not submit LUT/Bond prior to export. Circular F. No.349/47/2017-GST dated 15th March, 2018 clarifies that substantive benefits of zero-rated exports should not be denied and delay in furnishing LUT may be condoned with ex post facto permission. Non-furnishing of LUT/Bond under Rule 96-A is not an incurable defect nor mandatory, particularly when authorities themselves permit subsequent filing. Court directed that, the refund rejection order dated 31st January, 2024 be set aside and the matter be remitted for fresh reconsideration of the refund claim after permitting the Petitioner to furnish LUT/Bond along with condonation application in terms of the Circular. (Prime Perfumery Works vs Assistant Commissioner of Central Tax [Writ Petition No. 11076 OF 2024 (T-RES), order dated 2nd December, 2025])

Section 74 proceedings without specific fraud/suppression allegation liable to be quashed - The Hon'ble Allahabad High Court held that the proceedings were initiated under Section 74 of the SGST Act based on survey; for initiation under Section 74, authorities are duty bound to show reasons of fraud, wilful misstatement, suppression of fact for wrongful availment of ITC or excessive ITC claim; adjudicating authority must expressly state in SCN that assessee wrongly availed/used ITC due to fraud, wilful misstatement or suppression; if such basic ingredient is missing in SCN under Section 74, proceedings become without jurisdiction as assessing authority derives jurisdiction to proceed u/s 74 only when basic ingredients are present. Court held that, in present case, authorities at no stage recorded findings of fraud, wilful misstatement or suppression to evade tax. Therefore, proceedings under Section 74 ought not to have been initiated against Petitioner; impugned orders dated 10th January, 2025 and 31st May, 2023 cannot be sustained and are quashed. (M/s Raghuvansh Agro Farms Ltd. v. State of U.P. and 2 others [WRIT TAX No. 3829 of 2025, order dated 17th December, 2025]).

Uploading Order on GST Portal Alone Does Not Constitute 'Communication' - The Hon'ble Allahabad High Court held that the word "communicated" used in Section 107 is not defined, and effective communication must be examined with reference to Section 169 and the scheme of service of notices and orders. It would be over-simplistic and unacceptable in law to infer that a notice or order uploaded on the common portal may be equated with "tendering" or "publication"

so as to deem service in the absence of a statutory deeming fiction to that effect. Court noted that, there is no electronic trail in GSTN to show when an assessee actually retrieved, opened, downloaded or viewed an uploaded order, and there is no statutory obligation requiring taxpayers to access the portal daily; hence no presumption of service can be drawn. Court directed that, the writ tax petitions were allowed and the individual adjudication orders were set aside subject to deposit of 10% of the disputed tax within four weeks. (**Bambino Agro Industries Ltd. v. State of Uttar Pradesh and another** [Writ Tax No. 2707 of 2025, order dated 19th December, 2025])

ITC Cannot Be Denied to a Bona Fide Purchaser Merely for Supplier's GST Default in Absence of Fraud - The Hon'ble High Court of Tripura set aside the demand order and held that Input Tax Credit ("ITC") cannot be denied to a bona fide purchasing dealer solely on the ground that the supplier has failed to deposit the GST collected from such purchaser, where there is no finding of fraud, collusion or non-bona fide conduct on the part of the purchaser. Court directed that, the impugned order dated 17th February, 2022 be set aside and the respondents forthwith allow the petitioner ITC to the extent of Rs. 22,09,964/-. (**M/s Malaya Rub-Tech Industries v. Union of India** [WP (C) No. 849 of 2022 dated 10th February, 2026]).

Police Cannot Debit-Freeze Bank Account of taxpayers Without Magistrate's Order - The Hon'ble Calcutta High Court held that a police officer does not have power to debit-freeze a bank account directly without prior sanction or order of a jurisdictional Magistrate under the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023 ("BNS"), and that a writ petition is maintainable where the debit freeze and resulting injury occur within the territorial jurisdiction of the Court. (**Kirti Deora, Proprietor of M/s Tirupati Trading v. State of West Bengal & Ors.** [WPA 1785 of 2025 With CAN 1 of 2026, order dated 13th February, 2026])

GST Registration Restoration Cannot Be Denied Once Dues Are Cleared - The Hon'ble Bombay High Court held that where there is no outstanding GST liability and all government dues stand cleared, the Petitioner is entitled to restoration of GST registration, and failure to revoke cancellation of registration is contrary to Section 30 read with Rule 23 of the CGST Rules, 2017. Court directed that, the writ petition is allowed and the Petitioner's application for revocation of cancellation of registration is required to be allowed in terms of Section 30 read with Rule 23 of the CGST Rules. (**Kishore Nichani v. Union of India & Ors.** [Writ Petition no 4211 of 2025, order dated 27th January, 2026])

Notifications / Circulars

Simplified Customs Procedure for Return of Export Cargo due to Strait of Hormuz Disruption - The CBIC issued Circular prescribes a temporary simplified procedure for export cargo returning to Indian ports due to the closure of the Strait of Hormuz. Vessels may berth only at the same departure port (except transshipment).

If vessels remain within territorial waters and EGM/SDM is not filed, containers can be offloaded without a Bill of Entry after document and seal verification, and Shipping Bills will be cancelled. Where EGM/SDM is filed or vessels returned from international waters without foreign port calls, a new ICES facility will allow post-EGM cancellation. If a foreign port was visited, cargo is treated as exported. Export incentives must be recovered if already granted. These relaxations apply for 15 days.

Representations have been received from field formations indicating that, due to the closure of the Strait of Hormuz and the consequent disruption in maritime routes, certain vessels carrying export cargo from India are unable to reach their destination ports and are returning to Indian ports. It has been requested to prescribe a simplified procedure for handling of such cargo. The matter has been examined by the Board. It is noted that the present circumstances constitute an exceptional situation affecting international shipping routes and export logistics. Accordingly, Board in exercise of the powers conferred under Section 143AA of the Customs Act, 1962, prescribes the procedures in order to facilitate trade and ensure expeditious handling of such cargo, where export cargo is brought back to Indian ports due to the closure of the Strait of Hormuz or similar disruptions. (**Circular No. 09/2026-Customs** dated 8th March, 2026)



CBIC waives fee for amendment or cancellation of export documents in force majeure cases - The Central Board of Indirect Taxes and Customs (CBIC), through Circular clarified that fees for amendment or cancellation of export documents may be waived in cases where export consignments are withdrawn due to force majeure circumstances. The clarification was issued after representations from trade and industry regarding the levy of fees under the Levy of Fees (Customs Documents) Regulations, 1970. CBIC noted that disruptions in international shipping routes, particularly due to the closure of the Strait of Hormuz and the resulting logistical challenges, may prevent vessels or cargo from reaching destination ports. In such situations, exporters may need to amend or cancel shipping bills or withdraw consignments from customs areas. Since these circumstances arise beyond the control of exporters or customs brokers, officers may permit amendment or cancellation without charging the prescribed fee. Exporters must submit supporting evidence to the jurisdictional customs authority. The relaxation applies to all customs stations and remains valid for 15 days. (**Circular No. 10/2026-Customs** dated 10th March 2026)

CBIC Issues Procedure for Export Cargo Returned Due to Strait of Hormuz Closure - The Central Board of Indirect Taxes and Customs issued Circular to clarify procedures for handling export cargo that returned to Indian ports due to the closure of the Strait of Hormuz and related maritime disruptions. Exercising powers under Customs Act, 1962 Section 143AA, the Board prescribed procedures where vessels return to a port different from the original port of export. Shipping lines must file Sea Arrival Manifests, containers must be verified and seals checked, and tampered containers require full examination. Customs authorities must verify and cancel Shipping Bills and Let Export Orders while ensuring reversal or recovery of export incentives. Back to Town (BTT) clearance may be allowed after verification. Temporary international transshipment of LCL cargo from notified ports and airports is permitted until 31st March 2026. For liquid or break-bulk cargo diverted to India, temporary unloading and bonded storage may be allowed under Customs supervision solely for re-export or onward transshipment. (Circular No. 12/2026-Customs dated 17th March 2026)

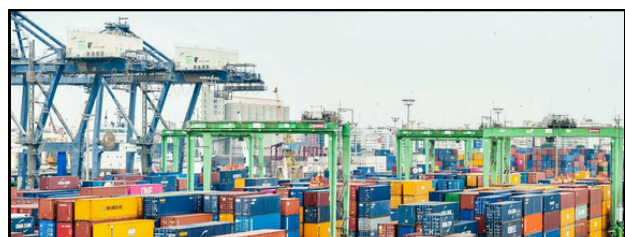


Government Allows Electronic Submission of Bond-cum-Legal Undertaking for SEZ Developers and Units - The Ministry of Commerce & Industry, Department of Commerce, has issued Instruction, introducing a major procedural reform for Special Economic Zone (SEZ) Developers and Units. The instruction provides clarification on the execution of Bond-cum-Legal Undertaking (BLUT) under the SEZ Act, 2005 and SEZ Rules, 2006. As per the new instruction, SEZ Developers and Units may now submit the BLUT electronically, replacing the previously mandatory physical submission process. According to the instruction issued from Vanijya Bhawan, New Delhi, electronic submission may be made in any format or manner specified from time to time, including mechanisms such as e-stamp or approved digital platforms that are already operational—such as ICEGATE, where electronic bonds are accepted. The Ministry has also dispensed with the requirement of non-judicial stamp paper and notarization by a Notary Public for executing the BLUT. This measure supersedes the earlier Instruction No. 2 dated 24.03.2006. The step is expected to enhance ease of doing business, streamline compliance processes for SEZ stakeholders, and align documentation procedures with the Government's broader digital governance initiatives. (Instruction No. 123 dated 23rd February 2026)

Registration for Eligible Manufacturer Importer (EMI) Scheme Now Live on AEO Portal - The Central Board of Indirect Taxes & Customs (CBIC) on 3rd March, 2026 announced that registration for the Eligible Manufacturer Importer (EMI) Scheme has been made live on the AEO Portal (<https://aeoindia.gov.in>) with effect from 1st March, 2026. Applicants may now proceed to complete their online registration. Filing of EMI applications will be enabled once the registration is approved by the Directorate of International Customs (DIC). As per the EMI Registration User Guide issued on the AEO Portal, applicants must ensure that their registration details exactly match those available in the DGFT's IEC Profile. The registration process requires uploading a single merged PDF containing the IEC Certificate and a screenshot of the DGFT 'View IEC Profile' page, clearly displaying the registered email ID and mobile number.

Important Cases

- **Incomplete Description Not Misdeclaration; Confiscation & Penalty Set Aside:** CESTAT - Case Name: VGS Enterprises Vs Principal Commissioner of Customs (Imports) (CESTAT Delhi) Dated: 11th March 2026.
- **Accused Must Be Arrested Immediately After Airport Contraband Seizure:** Delhi HC - Case Name : Maria Nuemia Albertina Vs Customs (Delhi High Court) Dated 17th March 2026.
- **Dashcams Not Eligible for Nil Duty as They Function as Video Recorders:** CAAR Mumbai - Case Name: In re BPIN Private Limited (CAAR Mumbai) Dated 20th February 2026.
- **DEPB benefit cannot be denied unilaterally by Customs Authority** - Case Name : Ganges Internationale Private Limited Vs Commissioner of Customs (CESTAT Chennai) Dated 26th February 2026.
- **Reassessment of Imported Goods Set Aside Because Customs Valuation Rules Were Not Followed** - Case Name : Chandan Steel Limited Vs Commissioner of Customs (Import) (CESTAT Mumbai) Dated 27th February 2026.
- **Imported Medical Imaging Printers was classifiable under CTH 9018 and not under CTH 8443: Differential Customs Duty Demand was set aside** - Case Name: AGFA Healthcare India Pvt. Ltd. Vs Additional Director General (Adjudication) (CESTAT Delhi) Dated 20th February 2026.
- **Customs Cannot Replace Declared Export Value with Higher Market Price Without Justification** - Case Name: S.K. Sarawagi & Co. Pvt Ltd Vs Commissioner of Customs (CESTAT Hyderabad) Dated 6th February 2026.





Direct Taxes Updates

CBDT Notifies Sovereign Wealth Fund Tax Exemption Rules & Procedure. Circular No. 03/2026-Income Tax dated:-30/03/2026.

Circular No. 03 of 2026 issued by the Central Board of Direct Taxes prescribes the procedure for notification and compliance of Sovereign Wealth Funds (SWFs) under Schedule V of the Income-tax Act, 2025. The circular facilitates tax exemption benefits for specified income such as dividends, interest, and capital gains arising from investments in notified infrastructure sectors, subject to conditions like investment period (2020-2030) and minimum holding of three years. It introduces Form I for SWFs seeking notification and Form II for quarterly reporting of investments. Existing SWFs notified under earlier provisions are exempt from reapplying but must comply with reporting requirements. The circular mandates filing of returns, audit reports, and periodic disclosures to ensure transparency and monitoring. Effective from 1 April 2026, the framework strengthens compliance, standardizes procedures, and ensures that only eligible SWFs benefit from tax exemptions while promoting infrastructure investment in India.

CBDT Extended TDS Certificate Deadline as E-Filing Portal Glitches Caused Delays. Circular No. 02/2026-Income Tax dated:-25/03/2026.

The Central Board of Direct Taxes issued Circular No. 02/2026 under Section 119 of the Income-tax Act, 1961, extending the due date for issuance of TDS certificates under Section 203 for the quarter ending 31 December 2025. The extension was granted in response to representations highlighting technical glitches on the e-filing portal, which caused difficulties for deductors in generating and issuing TDS certificates within the prescribed timeline under Rule 31 of the Income-tax Rules, 1962. Considering the genuine hardship faced by taxpayers, the Board extended the deadline to 31 March 2026. It clarified that TDS certificates issued within this extended period would be treated as having been issued within the prescribed time. The circular aims to provide relief to deductors impacted by system-related issues and ensures compliance without penal consequences due to delays caused by technical constraints.

Delay in Form 10A Filing Now Condonable by Commissioner Due to CBDT Clarification. Circular No. 01/2026-Income Tax (F.No.300173/26/2026-ITA-I) Dated:-23/03/2026.

CBDT Circular No. 01/2026 clarifies the authority to condone delay in filing Form No. 10A for registration under section 12A(1)(ac)(i) of the Income Tax Act, 1961. While earlier provisions required trusts or institutions to file Form 10A within prescribed timelines, an amendment effective 01.10.2024 empowered the Principal Commissioner or Commissioner of Income-tax to condone delays where reasonable cause exists. However, confusion arose because the Director of Income-tax (Centralized Processing Centre), Bengaluru, is the statutory authority for processing such registrations under Rule 17A. To resolve this, the Board clarified that the jurisdictional Principal Commissioner or Commissioner alone has the power to condone delays. This clarification aims to prevent denial of registration benefits due to procedural delays and reduce hardship for eligible trusts. The circular applies to all delayed applications where condonation requests are pending or filed on or after its issuance.

CBDT revises Mandatory DIN Requirement to align with Finance Act 2026. Circular No. 4/2026-Income Tax Circular No. 4/2026-Income Tax Dated 31/03/2026.

The Central Board of Direct Taxes (CBDT), through Circular No. 4/2026, has revised the framework for mandatory use of Document Identification Number (DIN) in income-tax communications, superseding Circular No. 19/2019. Exercising powers under Section 119 of the Income-tax Act, 1961 and incorporating amendments including Section 292BA introduced by the Finance Act, 2026, the circular.

mandates that all communications such as notices, orders, summons, and letters issued to taxpayers must carry a DIN or be appropriately referenced. DIN may be included directly, via attachment, or through electronic correspondence, and need not appear on every page. Exceptions are permitted in specific situations like technical issues or lack of PAN, subject to recording reasons and obtaining post-facto approval within 15 days. Such communications must also be uploaded with DIN subsequently. Public communications are exempt. The revised framework enhances transparency, accountability, and traceability in tax administration.

CBDT Notifies Income-tax Rules 2026 and Income Tax Forms. Notification No. 22/2026-Income Tax [G.S.R. 198(E)] Dated:- 20/03/2026.

The Central Board of Direct Taxes (CBDT) has notified the Income-tax Rules, 2026 through Notification No. G.S.R. 198(E) dated 20 March 2026 to operationalise the provisions of the Income-tax Act, 2025. The rules will come into force from 1 April 2026 and provide the procedural framework for implementation of the new tax law, including valuation methods, reporting requirements, administrative procedures, and compliance mechanisms. The rules cover several important areas of tax administration. They prescribe conditions for recognition of stock exchanges for derivative trading, including maintenance of client identification data, transaction audit trails for seven tax years, and reporting of modified transactions.

They also provide procedures for notification of zero coupon bonds issued by infrastructure companies and funds, including eligibility conditions, credit rating requirements, and timelines for utilisation of funds. The rules clarify the determination of holding period of capital assets in specific cases such as conversion of securities or restructuring of foreign branches.



CBDT Amends Income-tax Rules & Forms to Include Crypto-Assets & Digital Currency Reporting. Notification No. 19/2026-Income Tax [G.S.R. 158(E)] Dated: -05/03/2026.

The Central Government, through Notification No. 19/2026 dated 5 March 2026, amended the Income-tax Rules, 1962 by modifying Rules 114F, 114G and 114H under the powers granted by Sections 295 and 285BA of the Income-tax Act, 1961. The amendments, effective from 1 January 2026, introduce new definitions and reporting requirements concerning digital financial instruments and certain entities. Rule 114F has been expanded to include provisions relating to central bank digital currencies, specified electronic money products, and relevant crypto-assets. Depository accounts are now defined to include accounts representing electronic money products or central bank digital currencies held for customers. The amendment also recognizes "qualified non-profit entities" and prescribes conditions for their classification. Further, financial assets for reporting purposes may include interests in relevant crypto-assets for accounts other than U.S. reportable accounts. Additional provisions also clarify the treatment of accounts related to company formation or capital increase and small electronic money accounts with limited balances.

Income Tax Compliance calendar – May 2026.

Things to remember	
Due Date	Particulars
07th May 2026. (Thursday)	<ul style="list-style-type: none"> -Due date for deposit of Tax deducted/collected for the month of April, 2026. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of a challan. -Declaration under section 394(2) of the Income-tax Act 2025 to be made by a buyer for obtaining goods without collection of tax in the month of April, 2026.
15th May 2026. (Friday)	<ul style="list-style-type: none"> -Due date for furnishing statement by a recognised association in respect of transactions in which client codes have been modified after registering in the system for the month of April, 2026. -Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M and (Income-tax Act, 1961) in the month of March, 2026. -Quarterly statement of TCS deposited for the quarter ending March 31, 2026. -Due date for furnishing of Form 24G (Income-tax Rules, 1962) by an office of the Government where TDS/TCS for the month of April, 2026 has been paid without the production of a challan. -Monthly statement in prescribed Form by stock exchange in respect of transactions in which client codes been modified after registering in system for the month of April, 2026.
30th May 2026 (Saturday)	<ul style="list-style-type: none"> -Issue of TCS certificates for the 4th Quarter of the Financial Year 2025-26. -Challan-cum-statement of deduction of tax under section 393(1) of the Income-tax Act 2025 [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi) in the month of April, 2026. -Furnishing of statement required under Section 285B (Income-tax Act 1961) for the previous year 2025-26.

Things to remember	
Due Date	Particulars
31th May 2026 (Sunday)	<ul style="list-style-type: none"> -Return of tax deduction from contributions paid by the trustees of an approved superannuation fund. -Due date for furnishing of statement of financial transaction (in Form No. 61A) as required to be furnished under sub-section (1) of section 285BA (Income-tax Act, 1961) with respect to the financial year 2025-26. -Due date for e-filing of annual statement of reportable accounts as required to be furnished under section 285BA(1)(k) (Income-tax Act, 1961) (in Form No. 61B) for calendar year 2025 by reporting financial institutions. -Application in Form 9A (Income-tax Rules, 1962) for exercising the option available under Explanation to Section 11(1) (Income-tax Act 1961) to apply income of previous year in the next year or in future (if the assessee is required to submit return of income on or before July 31, 2026). -Application for allotment of PAN where a person's total income exceeds the maximum amount not chargeable to income-tax during any Financial Year and no PAN has been allotted to him. -Furnishing of the certificate from a Chartered Accountant specifying the amount invested in each year by the company or fund making application under Section 2(48) (Income-tax Act 1961) for notification of zero-coupon bond. -Statement of donation in Form 10BD (Income-tax Rules, 1962) to be furnished by reporting person under Section 80G(5)(iii) or section Section 35(1A)(i) (Income-tax Act 1961) in respect of the financial year 2025-26 -Statement in Form no. 10 (Income-tax Rules, 1962) to be furnished to accumulate income for future application under Section 10(21) or Section 11(1) (Income-tax Act 1961) (if the assessee is required to submit return of income on or before July 31, 2026). -Certificate of donation in Form no. 10BE (Income-tax Rules, 1962) as referred to in Section 80G(5)(ix) or Section 35(1A)(ii) (Income-tax Act 1961) to the donor specifying the amount of donation received during the financial year 2025-26. -Quarterly statement of TDS deposited for the quarter ending March 31, 2026.

Reassessment Notice Invalid Due to Absence of PCCIT Approval Beyond Three Years Case Name : Javitri Devi Vs ITO (ITAT Delhi) Dated:-31/03/2026.

Section 271(1)(c) Penalty Deleted Due to Pending HC Decision on Section 10(26BBB) Exemption Claim. Case Name : ITO Vs Uttarkhand Poorv Sainik Kalyan Nigam Ltd. (ITAT Dehradun) Dated:-31/03/2026.

Section 80P Deduction Claim Restored for Failure to Examine Assessee's Legal Status & Activities. Case Name : Ganna Vikas Parishad Vs Assessment Unit (ITAT Delhi) Dated:- 31/03/2026.

No TDS Default on LFC Payment as Bank Followed Binding HC Interim Orders. Case Name : State Bank of India Vs ITO (ITAT Mumbai) Dated: 31/03/2026.

ITAT Mumbai Quashed Reassessment Due to Wrong Assessment Year in Recorded Reasons. Case Name : Vagad Visha Oswal Chovisi Mahajan Charitable Vs ADIT (ITAT Mumbai) Dated:-31/03/2026.

SC Set Aside Reassessment Notice Due to Non-Disclosure of Material Facts by Revenue. Case Name : ACIT Vs Vivo Mobile India Private Limited (Supreme Court of India) Dated:-31/03/2026.

No Capital Gains Tax on Sale of Agricultural Land Beyond Municipal Limits: ITAT Ahmedabad. Case Name : ACIT Vs Ahmed Mahomed Pandor (ITAT Ahmedabad) Dated:-31/03/2026.

Section 80P Deduction Allowed on FDR Interest Due to Investment with Cooperative Banks. Case Name : Deoband Cooperative Cane Development Union Ltd. Vs AO (ITAT Delhi) Dated:-31/03/2026.



CMA Rakesh Bhalla

Former Vice President, ICAI

The Anatomy of a Market Correction: Risks, Valuations & Opportunities

Introduction

Indian equity markets are currently undergoing a healthy correction following an extended period of strong performance, with key indices declining by 12% to 18% from their recent highs. This adjustment reflects a combination of valuation normalization and global macroeconomic pressures, including rising geopolitical tensions in West Asia, elevated crude oil prices, persistent inflation, foreign institutional investor (FII) outflows, and rupee depreciation.

The Nifty 50 has corrected by around 13.5%, while the Sensex and Bank Nifty have declined by approximately 14.6% and 15.24%, respectively. Mid-cap indices have fallen by about 12.1%, whereas small caps have witnessed a sharper correction of nearly 18.8%, indicating higher pressure in broader markets.

Market Correction: Percentage Fall from 52-Week High

Major Indices	52 Week High	Current Level 27.03.26	Fall from 52 Week High(%)	Current PE
Nifty 50	26,373.00	22,819.00	-13.48	19.97
Nifty Next 50	70,833.00	62,043.00	-12.41	17.34
Nifty Mid Cap 100	61,548.00	54,099.00	-12.10	30.10
Nifty Small Cap 100	19,225.00	15,620.00	-18.75	27.83
Sensex-30	86,159.00	73,583.00	-14.60	20.69
Bank Nifty	61,674.00	52,274.00	-15.24	14.00

Importantly, the correction remains orderly rather than panic-driven, suggesting a natural market adjustment after a phase of elevated valuations. Despite near-term headwinds, India's underlying economic fundamentals remain resilient, creating a more balanced risk-reward environment for long-term investors.

Global Factors Driving the Correction

The recent market decline is largely driven by global macroeconomic factors rather than domestic weaknesses. Key contributors include geopolitical tensions, rising crude oil prices, persistent inflationary pressures, sustained FII outflows, and rupee depreciation.

Tensions in West Asia have pushed crude oil prices above \$115, intensifying global inflation concerns. Simultaneously, the Indian rupee has weakened to around ₹95 per US dollar (as of end-March 2026), adding to macroeconomic stress. FII outflows—estimated at nearly \$10 billion—along with a broader risk-off sentiment in emerging markets, have further weighed on equities.

A key near-term concern remains the escalation involving Iran, which could keep energy prices elevated and disrupt global supply chains. Prolonged uncertainty may continue to impact

inflation, currency stability, and investor sentiment across emerging markets, including India.

Valuation Reset and Market Positioning

One of the most significant outcomes of the correction has been the normalisation of valuations. The Nifty 50 is currently trading at around 20x P/E—close to its long-term average of 20–22x and below the five-year average of 22–24x—indicating that excess valuations have moderated meaningfully.

Similarly, the BSE Sensex's trailing twelve-month P/E has declined to around 20.2x (as of 27 March 2026), its lowest level in over a year. This compares with approximately 19.56x during May 2020, at the peak of pandemic-driven uncertainty.

The index has declined by about 9.5% since the end of February 2026, is down 13.7% year-to-date, and has corrected nearly 14.6% from its 52-week high. Historically, during the COVID-19 pandemic, valuations had compressed to around 18.8x from pre-pandemic highs of nearly 28x—highlighting that current levels, while moderated, are not yet at extreme stress levels.

India in the Global Context

Despite the correction, India continues to trade at a premium relative to other emerging markets. Developed markets like the US trade in a similar range of 18–22x, while markets such as China and ASEAN economies trade at relatively lower multiples.

This premium is supported by India's strong structural growth outlook, improving corporate balance sheets, and a robust banking system. The recent correction has partially moderated this premium, improving relative attractiveness.



Segment-Wise Opportunities and Risks

Large-cap stocks appear well-positioned, with valuations around 20x P/E offering stability and suitability for core portfolio allocation.

The banking sector stands out with attractive valuations near 14x P/E, supported by strong earnings visibility and improving asset quality.

In contrast, mid- and small-cap segments continue to trade at elevated valuations (27–30x). While corrections have occurred, the gap between earnings growth and valuations remains a concern, making these segments more vulnerable to volatility and liquidity risks.

Global Growth Repricing and Trade-Offs

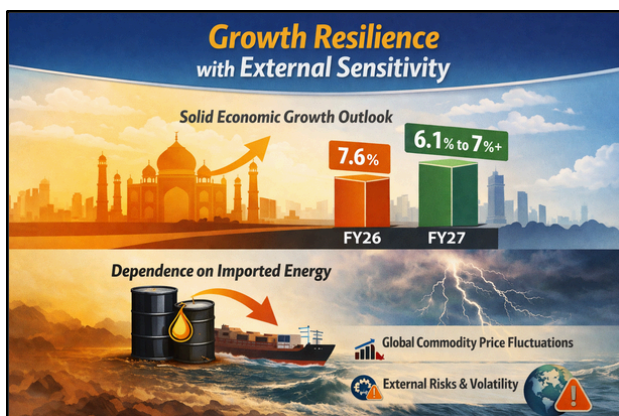
Global growth projections have softened to below 3%, reflecting geopolitical instability, tighter financial conditions, and elevated commodity prices.

The macroeconomic landscape is increasingly shaped by supply-side disruptions, particularly in energy markets, alongside persistent inflationary pressures. This has created complex policy trade-offs as governments strive to balance growth with inflation control. As a result, several regions are experiencing stagflation, characterized by sluggish economic growth and elevated inflation.

Equity Market Outlook: Cautious Signals

Global investment firm Goldman Sachs has recently revised its outlook on Indian equities from “overweight” to “marketweight,” citing a challenging macroeconomic environment driven by elevated energy prices. The firm highlighted risks associated with potential disruptions in oil and gas flows through critical routes such as the Strait of Hormuz.

Consequently, it has revised its 12-month Nifty 50 target to 25,900 from 29,300, implying a more moderate upside based on adjusted earnings expectations and a target PE multiple of 19.5x. This reflects a broader shift in market sentiment—from optimism-driven valuations to a more cautious, fundamentals-oriented approach.



Growth Resilience with External Sensitivity

India continues to demonstrate strong economic resilience, with GDP growth projected at around 7.6% in FY26 and expected to remain in the range of 6.1% to above 7% in FY27.

This growth is supported by robust consumption, sustained capital expenditure, and ongoing structural reforms.

While the economy faces challenges due to its reliance on imported energy, these constraints also present opportunities for innovation and long-term growth. By adapting to global commodity price fluctuations and strengthening domestic capabilities, India can effectively turn these challenges into avenues for progress.

Energy Shock Transmission and Macro Impact

Crude oil remains a key transmission channel for macroeconomic risks in India. Rising energy prices are expected to push inflation towards approximately 4.5% in FY27, increase the current account deficit to around 2% of GDP, and exert pressure on the Indian Rupee. Additionally, higher fuel costs can lead to increased logistics and manufacturing expenses, which ultimately affect consumption and corporate profitability.

Monetary Policy and Financial Conditions

Elevated inflationary pressures are likely to influence monetary policy, with expectations of additional rate hikes of around 50 basis points and a prolonged phase of higher interest rates. Tighter liquidity conditions may impact credit growth and investment activity, creating a delicate balance for policymakers between controlling inflation and sustaining economic growth.

Market Recalibration: A Shift to Fundamentals

Financial markets have begun to incorporate these macroeconomic risks. Earnings growth expectations are moderating, valuation multiples are compressing, and investors are increasingly focusing on quality and earnings sustainability. The market is transitioning from a liquidity-driven rally to a fundamentals-driven phase, where selectivity and discipline will be critical.

Strategic Asset Allocation

In this evolving macroeconomic environment, investment strategies must place a strong emphasis on discipline, diversification, and adaptability. A well-structured asset allocation framework, combined with exposure to inflation-resilient sectors, can help mitigate risks arising from market volatility. Additionally, adopting systematic investment approaches enables investors to navigate uncertainty more effectively while maintaining focus on long-term financial objectives and portfolio stability.

The Larger Perspective

The current phase represents a transition from overvaluation to normalization rather than systemic weakness. While global uncertainties may drive short-term volatility, India's long-term growth story remains intact.

Notably, foreign portfolio investors have sold equities worth approximately \$42 billion since the September 2024 peak, aligning with a broader earnings slowdown phase, as highlighted by Goldman Sachs.

Investment Strategy in the Current Phase

A disciplined investment approach is essential in the current environment. Investors should avoid panic-driven decisions and remain aligned with long-term financial goals.

Focusing on fundamentally strong companies—particularly in the large-cap segment—can provide better risk-adjusted returns. Systematic investment strategies such as SIPs and STPs can help manage volatility and reduce timing risks.

Diversification across asset classes, including equity, debt, and gold, remains critical for effective risk management.

Conclusion

The recent correction of 12–18% across key indices has brought Indian equity markets to more sustainable valuation levels, particularly within the large-cap segment. While India continues to trade at a premium relative to other emerging markets, this premium remains supported by its strong structural growth prospects and underlying macroeconomic stability. At the same time, the evolving geopolitical landscape underscores the growing importance of energy as a critical macroeconomic variable, with far-reaching implications for inflation, currency movements, and overall market dynamics.

If geopolitical tensions persist over the next two to three months, keeping crude oil prices elevated, the impact on India's growth trajectory could become more pronounced. Higher energy costs may exert pressure on inflation, widen the current account deficit, and weigh on consumption and corporate margins, potentially moderating near-term GDP growth. In such a scenario, markets may experience a more prolonged corrective phase, with the risk of entering a technical bear market—typically defined as a decline of over 20% from peak levels.

Even prior to the escalation of tensions among the U.S., Israel, and Iran, Indian equity markets were already grappling with subdued corporate earnings growth. Going forward, equities may remain under pressure due to a potential deterioration in India's macroeconomic mix, particularly if elevated energy prices persist and rising U.S. bond yields trigger further foreign institutional investor (FI) outflows.



Despite these near-term risks, such phases often create more attractive valuation opportunities for long-term investors. A disciplined approach—focused on fundamentally strong businesses and guided by a long-term perspective—remains essential. Market corrections, while challenging, are an integral part of the wealth creation journey for patient and informed investors.

Disclaimer

The information contained in this document is for general purposes only and should not be considered investment advice. It is compiled from reliable sources, including publicly available data from various websites and newspapers, as well as internally developed data. The views expressed are opinions and should not be considered guidelines, recommendations, or professional advice.



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Role of CMAs in Corporate Governance in Public Sector Organizations



The Perspective

Business dynamic of today's market has changed and as a result, market needs to focus on performance, transparency and accountability in the business. Hence corporate governance has become important for all sectors including government organizations. Corporate Governance is steadily focusing on building the confidence of its various stake holders including Customers, Suppliers, employees, shareholders, Bankers and Society at large. As these Public-Sector Undertakings (PSUs) are socially responsible unit, it becomes utmost important for these organization to adhere to the tenets of corporate governance because these are run by tax payer money for their operations. Corporate governance can lead to efficient use of public funds, the decrease in expenses or budget deficits, the elimination of corruption and the increase in performance in public entities.

Corporate Governance is defined as "A set of systems, processes and principles which ensure that a company is governed in the best interest of all stakeholders." It ensures Commitment to values and ethical conduct of business; Transparency in business transactions; Statutory and legal compliance; adequate disclosures and Effective decision making to achieve corporate objectives. Corporate governance in Public sector organizations is dictated mainly by Companies Act, 2013, Securities and Exchange Board of India (SEBI), Department of Public Enterprises (DPE), The DPE has issued governance guidelines on Corporate governance for Central Public-Sector Undertakings (CPSU's).

CMAs provide strategic information and analytical support to the management of an organization for creation, preservation and enhancement of the stakeholders value. The deep understanding of the activities, sub-activities and the processes and systems of the company and the ability to monitor and assess the performance of each unit, product, business line through appropriate analysis has catapulted CMAs from Value adding to Value management advisor.

The key tenets of Corporate Governance and the role of CMAs is discussed as under :

(A) Strategic performance management :

Strategic performance management mandates that a company develops a strategy to maximize value, It translates this strategy into short- and long-term performance targets defined in terms of the key value drivers. It develops action plans and budgets to define the steps that will be taken over the next year or so to achieve these targets. It puts performance measurement and incentive systems in place to monitor performance against targets and to encourage employees to meet their goals.

Cost and Management Accountants possess expertise in the areas of Cost management and can ably support creation and preservation of value of the organization through the following aspects :

- Provide timely and relevant information backed with appropriate analysis for improvement of the productivity of all the resources, resulting in optimum utilisation of resources and minimization of wastages.
- Provide information for strategic planning and decision making thus enabling management to take appropriate decisions for sustained growth.
- Provide segment and product wise business profitability so as to enable management to decide for discontinuance of a product line / pull out from a market segment.
- Help companies in proper costing enabling them to provide goods and services at a price that is affordable by marginal consumers in the rural, semi-urban areas and the common man.
- Protect the interests of the investors through focus on waste minimization, and optimum utilization of scarce resources.
- Assisting organizations in better corporate governance and value creation by focusing on efficient use of resources and thus enable Indian enterprises to effectively compete in the dynamic market environment.
- Provide Product/ activity wise cost details that are highly useful to the Independent Directors to effectively and efficiently discharge their duties.



- Continuously monitor and evaluate corporate performance and its economic / operational efficiency.
- Provides information for validation of financial statements and prevent inventory manipulation.
- Ensure maintenance of proper cost records for fulfilling the objectives laid down under National Voluntary Guidelines (NVG) for economic, environmental and social responsibilities of business as the information provided by the cost records is compatible with the information requirements under NVG.
- Provide reliable Cost Accounting data and Cost Assurance essential for early identification of industrial sickness.
- Set benchmarks for various activities and processes of the organization both in cost and physical terms.
- Carry out variance analysis for monitoring operational costs and revenues for ensuring that the organization realizes its plans.
- Provide specific critical information to the management for strategic decision making.



Cost Management as a Core Value : Every business has its own challenges, risks, and ways of doing things – but through it all, cost management remains a core value that can drive success. The differentiation and competitive advantage for a high growth business emanates from it's ability to innovate. Effective cost management supports and supplements business innovation. Embracing a cost management framework is a key step towards building a sustainable business

(C) Value management

Public sector organizations have a key role to play in the economic development of the country. They must focus on value creation, value preservation and value enhancement. CMAs provide the critical facilitative support to the management in value management by :

- **Removing low value activities** – Bring in strategic priorities , Link strategic measures to goals of team and Individuals , Purge or reduce unessential low-value activities , Remove obstacles to goal congruence and sub-optimality.
- **Focusing on results over activities** – Strategically relevant business to take precedence over business , Use focussed metrics and score cards for measurement and monitoring.
- **Removing cycle-time sluggishness** – Set benchmarks, accept that competitors react more quickly , Communicate critical measures of performance , Cut through employee rivalries and excuse making.
- **Removing ineffective customer management models** - Identify drivers for customer attraction and retention ,Develop measuring models that reveal results from actions , Remove drivers that generates lower value , Watch and monitor customers' spend share.
- **Removing functional silos and bring in goal congruence** - Integrate cross functional performance measurement , Balance performance metrics for responsibility accounting.
- **Minimising churn of high yielding customers and employees** - Assess performance with pre-defined KPIs , Link customer care measures with performance , Give power of measurement to employees for self assessment , Incentivise high performers.



(B) Sustainability and Business strategy

In today's dynamic and uncertain business world Importance of building Sustainable Value into the strategy of a business cannot be underestimated. Business strategy is most simply defined as the set of actions and activities a company invests in to gain competitive advantage and to maximize long-term value.CMAs can facilitate building a sustainable organization through :

Proactive Cost Governance: Create, implement and manage a proactive cost governance model to sustain cost reductions using an organizational mindset that is focused on Kaizen - continuous improvement.

Strategic Cost Management/Operational Transformation: Implement structural changes using new technologies and digital interventions to the operating model and business processes to maximize value, sustain cost reductions and move to a more variable (vs. fixed)cost structure.



(D) Efficiency improvement through Strategic Cost Management

It is critical for companies today to streamline processes, rationalize systems, outsource non-core activities and improve the operating model making best use of IT Revolution and strategic cost considerations. With disruption becoming the new normal companies are duly recognizing that strategic cost management is vital to building a sustainable value creating business which entails Continually challenge the business model to shape investment choices, Analysing key cost data to show the cost implications of new opportunities,

products and customers, Ensuring concern areas of customer and product profitability are understood and continually addressed, Ensure that growth is funded through cost efficiency. Robustly track the execution of strategy against plans and manage performance, Embed a culture of cost consciousness and with focus on value creation in the organisation.

Management accounting, which was traditionally intended for internal use in organizations, has, through its ability to measure value and to present both current and forward-looking information, developed into a key instrument to organizations for delivering effective corporate governance to stakeholders. Management Accounting reports compare the expected values of alternative strategies that are designed by the organization. Such reports may enable the directors to understand the key value drivers of their organizations and the risks associated with them. Hence the reports assist them in choosing a strategy, which may optimize benefits.

(E) Improving effectiveness of operations / activities

CMA's can play a vital role in improving effectiveness of operations / activities through :

Value Chain Analysis : Value chain analysis is a useful way of thinking through the ways in which you deliver value to your customers, and reviewing all of the things you can do to maximize that value. It is an approach for breaking down the sequence (chain) of business functions into the strategically relevant activities through which value is added by the business.

The objective is to identify the behaviour of costs and the areas for differentiation. Value analysis takes place as a three stage process.

Activity Analysis, which involves identification the activities that contribute to the delivery of your product or service.

Value Analysis, which involves identification of the things that your customers value in the way you conduct each activity, and then work out the changes that are needed.

Evaluation and Planning, which involves deciding what changes to make and plan how you will make them. By using Value Chain Analysis and by following it through to action, you can achieve excellence in the things that really matter to your customers.

(F) Risk Management

Boards are also required to maintain sound risk management and internal control systems and have to confirm in their annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. Good corporate governance means lower risk and poor corporate governance means higher risk; strong and independent risk management function becomes necessary to monitor and control enterprise-wide risk exposures.



Management accounting practices are generally regarded as important controlling tools in providing managers with financial and nonfinancial information to help them make better business decisions and maintain effective control over corporate resources. A key dimension of management accounting is monitoring which is a periodically recurring task already beginning in the planning stage of the project. It helps clarify project objectives, link activities & resources to the objective and translates them into performance indicator to set targets. It allows results, processes and experiences to be documented and helps us understand the status of the project at any given time. Monitoring acts as an alert that warns us about a problem to be remedied. The data acquired through monitoring is used for comparing actual results with the target for evaluation.



(G) Management oversight through cost accounting records and cost audit

Rules for maintaining cost accounting records and cost audit encourage use of technology and scientific tools like quantitative techniques, technical/ benchmarked standards, integrated software, etc and help preparing realistic budgets based on such tools. Thereby, it helps identifying wasteful expenditure, underutilized resources, other inefficiencies and frauds. Such outcomes are not expected from traditional accounting and financial audits, which are essentially concerned with recognition and audit of contractual and statutory transactions for the entity (company) as a whole.

Cost audits can be used to the benefit of management, Board, consumers and shareholders by

- Helping to identify weaknesses in cost accounting systems,
- Ensuring data integrity and Helping to drive down costs by detecting wastage and inefficiencies.
- Helping the company management to improve its performance, productivity, competitiveness and governance mechanism

(H) Strengthening regulatory mechanism

In India, regulatory mechanism is being strengthened for each and every sector. Availability of detailed cost data is a pre-requisite for the effective functioning of any regulator. Today, more than 80% of international trade disputes relate to transfer pricing which in-turn requires cost data to determine the arms' length price. Benchmarking and assessment of competitiveness for different industries requires cost data. Competition Commission has been continuously seeking cost data for many sectors. Cost information plays a critical role in transfer pricing, predatory pricing, fixation of margin of dumping for the purpose of levying anti-dumping duty, free trade agreement, consumer protection, revival of sick companies and corporate governance.

Conclusion

The changing role of Cost and Management Accountants is in sync with the changing market environment and governance structure. From only providing information for the purpose of internal business activity, it has already moved towards creating value demanded by customer and other stakeholders. Moreover, Cost & Management Accountants now a days have more responsibilities than before as a result of decentralization and delegation of authority. Precisely, the role of CMAs is now shifted from "information-provider" to a strategist who is regarded as a savior of Corporate governance.



CMA (Dr.) S K Gupta

Chief Executive Officer
ICMAI Social Auditors Organization

Use of Cost Audit Report in Direct Tax Assessment



Definition of Cost :

While writing this paper I asked Perplexity AI application the tool used for research the definition of cost it said as follows.

“Cost is the amount of resources , typically measured in money used up or given to produce goods and services and in fundamental for budgeting , pricing , and financial decision making” I do not know where from this information picked up by the AI tool but I do not agree this definition. Had it been correct or acceptable to any one then I must say the specific word “benefits” derived from spending the expenses for definite purpose is missing. So the app did not consider the word “benefits”. Any expenses which generates benefits to a particular purpose say manufacturing / administration/ selling/ distribution etc. or rendering services are called and accepted as cost. That is why the concept of **abnormal loss** are taught in cost accountancy. Abnormal loss is also cost which was spent for a particular purpose but did not generates any benefits so abnormal loss are not considered as cost. So expenses which are normal and beneficial to a particular purpose is considered as cost. So all expenses are not cost but all cost are expenses.

So generation of benefits to production or rendering services are the mandatory requirement to consider an expenses as cost. In financial accounting no distinction is made whether it is normal or abnormal. In cost and management accountancy a separate chapter is available to understand the normal or abnormal expenses to absorb in cost of sales or production. In financial accountancy abnormal expenses are charged to the statement of profit and loss account. So finally cost is an expenses followed by generation of benefits to the target and normal in character.

The direct tax law allows any expenses if it is incurred exclusively for the purpose of business and commercial expediency.

For example material consumption as per financial accounts may not be same as per cost accounts and thereby shown in CRA3. While assessing the tax , AO may ask for discrepancies between the two sets of data. In financial accounts this data are calculated based on opening balance plus purchase less closing stock lacking product wise granularity but in cost accounts it is necessary or mandatory to define material consumption product wise so that inflated claim of consumption are identified. So in assessing material consumption for financial accounts no scope to determine the data for over consumption or pilferage of same. Hence AO may gather information regarding expired raw material which showed as consumption or wastage of resources but loss to the entity and recognize as consumption. Hence AO can identify indicators of over consumption and apply his discretion towards allowability. So genuineness of expenses on raw materials can be analysed from CRA 3 if referred where product wise consumption of raw material are shown. While CRA 3 aids scrutiny to protect genuine expenses from disallowance on efficiency grounds and be useful in assessing the tax if it is looked into.

Examples of expenses not considered in cost but in financial books.

a) In cost calculation depreciation is absorbed in cost provided the property plant and equipment are utilized at normal level but in financial accounts no such concepts are available. The detail discussion on capacity are available in cost accounting standard introduced by ICAI. In financial accountancy depreciation are not calculated on capacity utilization. So depreciation are charged irrespective of utilization.

b) Expenses incurred in CSR are not at all considered in cost accounts since no benefits are derived from spending of CSR expenses which ultimately charged to financial P/L accounts. This expenses are charged to P/L as per requirement of Co Act 2013.

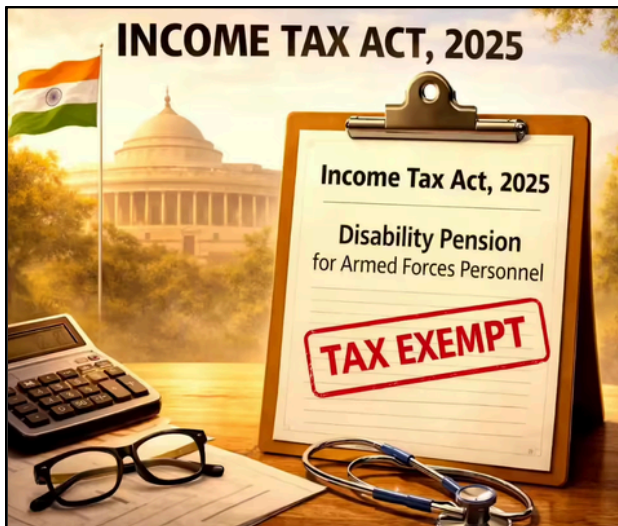


c) Though CSR expenses are spent and allowable in companies Act 2013 as statutory compliance without generating benefits to the product or services but are allowed in taxation law. So taxation law does not consider the benefits of expenses. If an expenses are incurred for exclusive purpose of business then AO can not deny it. So cost efficiency has no meaning in income tax over expense allow ability. Taxation laws gives consent to commercial expediency ignoring cost efficiency.

d) Bad debts occurred are allowed to hit financial P/L account but no scope in costing P/L account.

e) In come from exchange gain creates in come from other sources and ultimately enhance the profit are obviously considered in financial account but no relevancy in cost accounts.

f) Interest on term loan taken for capital expenditure may escape in cost accounts with the concept that the machine which has purchased with borrowed finance or from own resource can perform in the same level. So the interest may considered in reconciliation statement which has discussed later on.



Income Tax Act 2025:

In income Tax Act nothing has been mentioned about normal and abnormal expenses. It concentrates on allowable and disallowable expenses. In old income tax act 1961 u/s 37 maximum expenses are allowed other than capital and personal expenditure. In the income tax Act 2025 under section 34 any expenditure (not being an expenditure of the nature specified in sections 28 to 33, 44 to 49, 51 and 52 and not being in the nature of capital expenditure or personal expenses of the assessee), laid out or expended wholly and exclusively for the purposes of the business or profession shall be allowed in computing income from business or profession. It is relevant for allow ability of expenses provided it is paid which is quite natural. In cost audit no such payment or not paid concept is applicable to consider any expenses as cost. So cost is an expenses which is paid or not paid or irrespective of its payment status provided it generates benefits under normal condition. In income computation and disclosure standard no such concept of normal or abnormal expenses is available.

In tax accounting standard (ICDS) basically some expenses related to provision creation or valuation of unsold finished goods, valuation of construction contract etc. are dealt with.

In Income tax act there is no concept of cost but expenses only. AO may refer the term cost instead of allowing expenses to verify the genuine and beneficial use of resources which is scarce in our economy. Proper utilization of resources can make our country cost competitive. However, AO is not bound to assess the benefits of expenses incurred as per present Taxation Law. A suitable example can be used here in respect of depreciation. Depreciation of PPE can not depend on period but on usage. In income tax Act AO will allow full depreciation if it is put to use but in cost account the same depreciation are identified on use of such PPE and the balance goes to reconciliation statement

GST Act 2017:

In GST Act 2017 input are considered when it is used in furtherance of business though the definition of furtherance of business are not discussed in GST Act in details. So here also normal or abnormal concept is not available. If inputs are consumed more than standard the act is not allowed to dis allow such expenses as input. Hence AO can not get any value added data while start assessment of taxable profit.

The concept " furtherance of business" has been dealt with GST Act 2017 with out definition. There is no scope in GST Act to disallow input credit irrespective of over consumption of inputs if it is for furtherance of business. In Income Tax Act AO can not dis allow the consumption of excess inputs which can be identified from cost audit report. So CRA 3 can be helpful in identifying excess or abnormal expenses but can not help AO in dis allowing the same while calculating the taxable liability. Hence income tax assessment can not make an assessee cost competitive but can have peer in review of expenses charged P/L account while comparing both sets of data.

Tax Audit:

In tax audit quantification of production, sales and valuation of unsold finished goods are recognized which AO is utilized in tax computation. But it does not recognized normal and abnormal character of expenses which is mainly discussed in cost audit report. From tax audit report AO can not convinced himself regarding authenticity of normal business expense incurred to arrive such disclosed profit. Though he is bound to accept as expenses if it justify as normal commercial spending.





Capacity Utilization and normal Capacity. In any business model, utilization of strength of the organization is very important to assess its profitability. The detail study on capacity utilization has already been published by ICMAl in its cost accounting standard. In cost accounts we recognize cost based on actual capacity utilization considering cost incurred under normal capacity utilization. So in case of under utilization of capacity revised cost statement is prepared taking the cost normally incurred under normal utilization. So capacity utilization is an important aspect in profit calculation which is not considered in tax audit report. Similarly under utilization of capacity makes the organization operating below BEP.

Income Tax Act does not recognize the level of operation viz. normal capacity or achievable capacity utilised. It allows only expenses incurred for the purpose of business irrespective of level of operation without justification of expenses as against income. Unfortunately income tax Act does not even consider or refer the budgeted expenses and income also to peer review of expenses. Income Tax Act 1961 does not consider efficient use of scarce resources but to be restricted in allowing any expense if it is for the exclusive purpose of business.

Use of cost audit report in tax assessment:

The assessing officer gets the information to find out the cost of sales for each product which is audited by cost auditor from abridged cost statement captured for each auditable product to arrive at total profit earned from regular business. The cost audit report mandatorily declares the installed capacity with addition during the year and captive consumption with loss of capacity utilization when compared with achievable capacity and actual capacity utilized for which AO is assessing profit earned.

If the unit operated below achievable capacity but expenses incurred as per installed capacity the AO can easily understand the abnormal expenses charged in statement of profit and loss account certified by financial auditor. The financial audit never asks for benefit from spending or over spending but cost audit mandatorily assess the cost ought to absorb as per normal or achievable capacity.

In income tax audit report nowhere it is mentioned the normal or abnormal expenses but confined to allowable and dis allowable expenses. The difference between tax audit and cost audit lies while tax audit refers to allowable and dis allowable expenses but in cost audit it identifies the normal and abnormal expenses turns to cost subsequently.

But unless AO knows the normal expenses how he can allow such. Hence referring cost audit report will be beneficial to differentiate allowable or disallow such expenses to arrive at correct profit. In Income tax act expenses are allowed when it is wholly and exclusively spent for the business. Though purpose may be identified but may not be normal and no benefits derived from spending. In GST act any thing is considered as inputs when it is for the furtherance of business but may not for normal consumption. But in cost audit all the expenses are meant for specific purpose with defined benefit followed by normal capacity or achievable capacity utilization.

Example: As per cost audit report profit reveals say INR 100 but as per financial audit report INR 80 as profit certified or audited. Under such a situation AO can identify the expenses charged to FIN P/L but not in costing P/L The assessing officer can call for expenses charged to FIN P/L with details. The AO refers two annexures attached with cost audit report which is placed below namely abridged cost and reconciliation statement.



A) Abridged cost statement.

**PART-B
2. ABRIDGED COST STATEMENT**

Figures in crore

Name of product		XXXXXXX				
CTA heading		XXXX				
Unit of measure		KG				
	Production	Finished goods purchased	Finished stock adjustments	Captive consumption	Other adjustments abnormal loss	Quantity sold
	Current year					
	Previous year					
S.No.	Particulars	Current year		Previous year		
		Amount (Rs.)	Rate per Unit (Rs.)	Amount (Rs.)	Rate per Unit (Rs.)	
1	Material Consumed (details as per para 2A a separate annexure)					
2	Process Materials/Chemicals					
3	Utilities (detail as per para 2B a separate annexure)					
4	Direct Employee Cost					
5	Direct Expenses					
6	Consumable stores & spares					
7	Repairs & Maintenance					
8	Quality Control expenses					
9	Research & Development Expenses					
10	Technical know-how fee/royalty					
11	Depreciation/Amortisation					
12	Other Production Overheads					
13	Industry specific operating expenses (detail as per para 2C a separate annexure)					
14	Total (1 to 13)					
15	Increase/Decrease in Work-in-progress					
16	Less: Credits for recoveries, if any					
17	Primary packing cost					
18	Cost of Production/Operations (14+15 to17)					
19	Cost of finished goods purchased					
20	Total cost of production and purchases(18+19)					
21	Increase/Decrease in stock of Finished Goods					
22	Less: Self/Captive Consumption)					
23	Other adjustments					
24	Cost of Production/Operation of Product Sold (20+21 to 23)					
25	Administrative Overhead					
26	Secondary Packing Cost					
27	Selling & Distribution Overheads					
28	Cost of sales before interest(24 to 27)					
29	Interest & Financing Charges					
30	Cost of Sales (28+29)					
31	Net sales realisation (net of taxes and duties)					
32	Margin [Profit/Loss as per cost accounts] (31-30)					

Notes:- interest on fund utilized for working capital considered others will consider in Reco statement

B) Reconciliation statement**PART-D (2)****2. PROFIT RECONCILIATION**

S.No.	Particulars	Current year
1	Profit or loss as per Cost Accounting Records	
	(a) For audited product(s)	
	(b) For un-audited product(s)	-
2	Add: Income not considered in cost accounts: -	
	a) Earlier Years Sales	
	b) Revenue from Consultancy / Construction Project	
	c) Interest Income (others)	
	d) Interest on Employee Loans	
	e) Liability/Provision written back	
	f) Exchange Rate Variation (Gain)	
	g) Late Payment Surcharge	
	h) Receipt of Director's Sitting Fee from other organization	
	i) Profit on sale/disposal/settlement of insurance claim	
	j) Excess on physical verification	
	k) Profit on Sale of Projects	
	l) Realization of Loss due to Business Intruption	
	m) Prior Period Income	-
	n) Other Income	
	TOTAL (2)	-
3	Expenses not considered in Cost Accounts	
	a) Expenditure on Self Generated CERs/VERs	
	b) Losses out of Insurance claims	
	c) Compensation for land and interest on arbitration/court cases	
	d) Diminution in value of stores and spares	
	e) Loss on sale of asset	
	f) Exchange Rate Variation (Loss)	
	g) CSR Expenditure	
	h) Rebate to Customers	
	i) Interest to Beneficiary States	
	j) Bad & doubtful debts/advances/claims/interest provided	
	k) Shortage in store	
	l) Written off Stores/Bad debts/Advances/Claims/Expenses	
	m) Provision for contingencies/CAT Environment/Others	
	n) PROJECT EXPENSES PROVIDED FOR	
	o) Others Misc Exp.	
	p) Abnormal Cost due non-operational of Power House)	
	q) Expenditure deferred for next years (Special Maintanance).	
	r) Rebate to customers under ATMANIRBHAR BHARAT Package	
	s) REGULATORY INCOME - EMPLOYEE REMUNERATION & BENEFITS (WAGE REVISION)	
	t) Fare Valuation adjustment on Subordinate debt/other IND AS adjustment	
	TOTAL (3)	-
4	Difference in valuation of stock between financial accounts and cost accounts	
5	Other adjustments,if any	
	Add:	
a	VRS Expenditure	
b	Income from Finance Lease	
	TOTAL (5)	
6	PROFIT AS PER FINANCIAL ACCOUNTS (excluding Other Comprehensive Income for C	-



Conclusion :

Cost audit report CRA-3 may be useful in detecting the overspending in comparison to revenue earned but AO do not get any mandate to follow it in computation of tax. Present tax law is based on spending in commercial purpose not to be cost conscious and thereby proper utilization scarce resources of this country. It is recommended that cost audit report may looked into while doing tax assessment exclusively for manufacturing companies and make this country cost competitive globally.

Abstract :

The word normal and benefits are mandatory for considering any expenses as cost. Mere purpose is not enough in deciding any expenses as cost. In cost audit report we follow this principle. Use of cost audit report makes AO understood that which is normal and beneficial to each product or each activity independently and consolidated for the business as whole. But present Tax Laws does not have such mandate to use it to analyze the two sets of data.

Reference:

- i) No AI tool was used in preparing this paper.
- ii) section 34 of the Income Tax Act 2025
- iii) Abridged cost and reconciliation statement are the product of MCA. We use it as per mandatory annexure in CRA3
- iv) experience in industries for the last 35 years



CMA Asim Saha

Practising Cost Accountant

The Lifeline Strategy For Business Survival And Growth



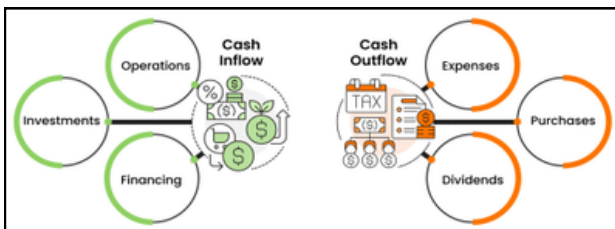
“Cash flow isn’t accounting jargon—it’s the daily oxygen your business breathes.”

Cash flow is the lifeline of any small business. Without proper management, even profitable businesses can struggle to cover expenses, pay vendors, and invest in growth.

A 2024 survey found that 82% of small businesses fail due to poor cash flow management (research conducted by Jessie Hagen, formerly with U.S. Bank, and cited by SCORE). This makes it essential for entrepreneurs to adopt smart financial strategies that ensure steady liquidity.

This article highlights the critical importance of effective cash flow management as the foundation for business stability and growth. It emphasizes that consistent monitoring, analysis, and optimization of money entering and exiting a company—distinct from simply monitoring profit—is essential for avoiding insolvency, especially as 82% of business failures are linked to poor cash management.

Cash flow management refers to tracking, analyzing, and optimizing the movement of money in and out of a business. It involves understanding trends and patterns around cash inflows, such as sales revenue, investments and financing activities, and cash outflows, including expenses, debt repayments and capital expenditures. A company’s cash flow consists of:



Profitability doesn’t always mean a healthy cash flow. Even a business with high profits can fail due to cash shortages if inflows are delayed while expenses pile up. While profitability is often used to measure long-term success, businesses’ short-term survival depends on effective cash flow management.

Maintaining positive cash flow is essential to business health—from meeting financial obligations to investing in growth opportunities.

Cash flow impacts all levels of business operations and decision-making, including expansion, hiring and capital investments. It also directly affects a business’s ability to pay employees, suppliers and creditors.

Successful cash flow management not only supports operational needs and strategic planning; it can also help businesses weather economic downturns.

Cash flow management is not just about tracking money—it is about strategic financial control. A business may report profits but still face insolvency due to poor cash flow planning. Therefore, managing cash flow effectively involves forecasting, monitoring, optimizing working capital, and leveraging financial tools.

In today’s dynamic environment, businesses combine technology-driven tools with financial strategies to ensure liquidity, operational efficiency, and long-term sustainability.



Forecasting’s Role In Cash Flow Management

Cash flow management is not just about tracking money—it is about strategic financial control. A business may report profits but still face insolvency due to poor cash flow planning. Therefore, managing cash flow effectively involves forecasting, monitoring, optimizing working capital, and leveraging financial tools.

In today’s dynamic environment, businesses combine technology-driven tools with financial strategies to ensure liquidity, operational efficiency, and long-term sustainability.

Advanced tools for cash flow management:

1. Integrated Accounting Systems

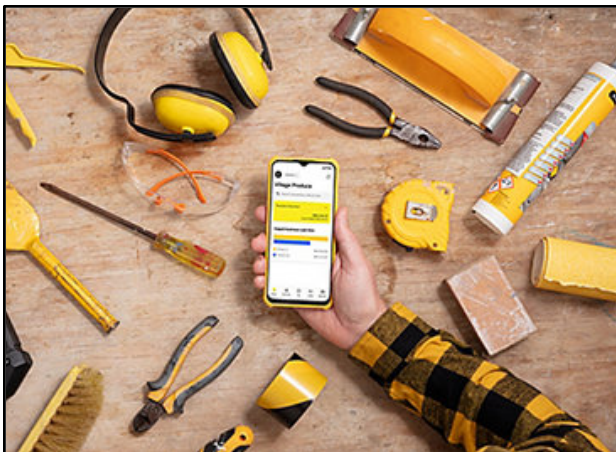
Integrated accounting systems like QuickBooks, Xero, and Zoho Books have transformed cash flow management from a retrospective manual task into a proactive, real-time function. By acting as a centralized ecosystem that integrates directly with bank feeds, payroll, tax modules, and

inventory platforms, these tools eliminate manual data entry, reduce human error, and provide an accurate, up-to-date view of a company's financial health. They integrate with banking systems, payroll, tax modules, and inventory platforms to provide a centralized financial ecosystem.

Key Features:

- Automated bank feeds and reconciliation
- Real-time dashboards and KPI tracking
- Tax compliance and GST reporting (important in countries like India)

Strategic Value: They enable data-driven decision-making, reducing uncertainty in cash flow planning.



2. Cash Flow Forecasting & Scenario Modeling Tools

Advanced tools like Float and Pulse allow businesses to simulate financial scenarios. Advanced cash flow forecasting and scenario modeling tools are essential for modern financial management, allowing businesses to simulate various "what-if" scenarios, such as changes in revenue, expenses, or capital investments, to test business resilience. These tools move beyond basic spreadsheet capabilities by offering real-time data integration, automated updates, and visual, interactive dashboards to monitor cash positions.

Types of Forecasts:

- Short-term (weekly/monthly): Operational liquidity
- Medium-term (quarterly): Budget alignment
- Long-term (annual): Strategic planning

Scenario Modeling:

- Best-case scenario (high sales growth)
- Worst-case scenario (delayed payments, economic slowdown)
- Break-even analysis

Strategic Value: Helps firms prepare for uncertainty and avoid liquidity crises.

3. Spreadsheet-Based Financial Modeling

Even with advanced tools, Microsoft Excel and Google Sheets remain essential for custom financial modeling. It remains the backbone of financial modeling due to their unmatched flexibility, customization, and low cost.

While dedicated software exists, spreadsheets are preferred for building custom, dynamic models—such as 3-statement projections and valuation—using formulas, data tables, and sensitivity analysis.

Advanced Uses:

- Dynamic cash flow statements
- Sensitivity analysis
- Ratio analysis (liquidity ratios, turnover ratios)

Strategic Value: Offers flexibility for tailored financial strategies and what-if analysis.

4. Digital Payment and Receivables Platforms

Digital payment and receivables platforms such as PayPal and Stripe significantly enhance receivables management by automating invoicing, accelerating payment collection, and reducing manual reconciliation errors. By offering versatile payment options—including credit cards, digital wallets, and bank transfers—these platforms improve cash flow, decrease Days Sales Outstanding (DSO), and provide real-time visibility into incoming payments.

Advanced Capabilities:

- Automated billing and recurring payments
- Integration with CRM systems
- Real-time payment tracking

Strategic Value: Reduces the cash conversion cycle and improves liquidity.

5. Inventory and Supply Chain Management Systems

TradeGecko, acquired by Intuit in 2020 and rebranded as QuickBooks Commerce, was a leading cloud-based inventory and supply chain management platform designed for small-to-medium-sized e-commerce and wholesale businesses. It was officially discontinued as a standalone product in August 2023, with its functionality integrated into the broader QuickBooks Online ecosystem.

Techniques Supported:

- Economic Order Quantity (EOQ)
- Just-in-Time (JIT) inventory
- Demand forecasting using analytics

Strategic Value: Minimizes idle capital and enhances operational efficiency.

6. Treasury Management Systems (TMS)

Large organizations use Treasury Management Systems to manage complex cash operations. A Treasury Management System (TMS) is software that centralizes, automates, and manages an organization's financial operations, including cash positioning, forecasting, payment processing, and risk management. It provides real-time visibility into bank accounts, reducing manual errors and improving liquidity efficiency for corporations with complex, multi-currency needs.

Functions:

- Cash positioning across multiple accounts
- Risk management (currency, interest rates)
- Investment of surplus funds

Strategic Value: Ensures optimal utilization of cash across global operations.



Advanced Techniques for Cash Flow Management:

1. Working Capital Optimization

Working capital = Current Assets - Current Liabilities

Working capital optimization enhances liquidity and financial health by efficiently managing inventory, receivables, and payables to free up cash. It involves balancing short-term assets and liabilities to ensure operational sustainability and fund growth, typically yielding 10-30% recovery in cash flow. Key strategies include automating processes, faster collections, and strategic vendor payments.

Key Components:

- Accounts receivable
- Accounts payable
- Inventory

Techniques:

- Reduce receivable days
- Extend payable days
- Optimize inventory turnover

Outcome: Improves liquidity without requiring additional financing.

2. Cash Conversion Cycle (CCC) Management

The Cash Conversion Cycle measures how quickly a business converts investments into cash. The Cash Conversion Cycle (CCC) measures the time (in days) it takes for a company to convert investments in inventory into cash from sales, with a shorter cycle indicating superior working capital management and liquidity. Optimizing the CCC involves accelerating inventory sales, speeding up receivables collection, and strategically extending supplier payments.

Formula: $CCC = \text{Inventory Days} + \text{Receivable Days} - \text{Payable Days}$

Strategies:

- Faster collections
- Efficient inventory turnover
- Delayed supplier payments

Outcome: Shorter CCC = better cash flow efficiency.

3. Revenue and Pricing Strategies

Cash flow is directly impacted by pricing and revenue models. Effective revenue and pricing strategies, including cost-plus, value-based, and dynamic pricing, are essential for maximizing profitability and competitiveness.

Strategies like penetration pricing (low initial price) and price skimming (high initial price) help align costs with customer perception to drive growth. Utilizing data-driven dynamic pricing, bundling, or freemium models helps optimize revenue across varied market conditions.

Approaches:

- Subscription-based pricing (steady cash inflow)
- Dynamic pricing based on demand
- Advance payments or deposits

Outcome: Improves predictability of cash inflows.

4. Expense Structuring

Businesses should convert fixed costs into variable costs where possible. Converting fixed costs to variable costs increases business agility and reduces financial risk during downturns by aligning expenses directly with revenue fluctuations. This strategy, often achieved through outsourcing, leasing instead of buying, and using independent contractors, lowers the breakeven point and improves cash flow flexibility, especially in volatile markets.

Outcome: Enhances flexibility and reduces financial risk.

5. Liquidity Buffer Management

Maintaining liquidity buffers ensures resilience. It involves maintaining a readily available pool of high-quality liquid assets—such as cash, central bank reserves, and marketable securities—to meet short-term, unexpected financial obligations. It acts as a critical safety net against cash flow disruptions and market volatility, enabling firms to survive stress scenarios without selling assets at a loss.

Types:

- Cash reserves
- Liquid investments
- Credit lines

Best Practice: Maintain 3–6 months of operating expenses as reserve.

6. Credit Management Policies

Strong credit policies reduce bad debts and delays. It is a structured, written framework that defines how a company grants credit, sets payment terms, and manages collections to ensure steady cash flow and minimal risk. By clearly outlining these procedures, businesses can reduce Days Sales Outstanding (DSO) and prevent bad debt.

Elements:

- Creditworthiness assessment
- Credit limits
- Clear payment terms

Outcome: Improves collection efficiency and reduces risk.

7. Capital Expenditure Planning

Large investments should be carefully planned. Capital Expenditure (CapEx) planning is a critical,

multi-stage process for managing the large-scale investments businesses make in long-term physical or intangible assets, such as machinery, technology, or buildings. Because these investments can define a company's future competitiveness, require significant cash, and are often difficult to reverse, careful planning is essential for ensuring long-term returns and preventing financial distress.

Techniques:

- Net Present Value (NPV)
- Internal Rate of Return (IRR)
- Payback period analysis

Outcome: Prevents unnecessary cash outflows and ensures profitable investments.

8. Real-Time Monitoring and KPIs

Modern businesses rely on dashboards for continuous monitoring. Real-time monitoring dashboards are essential tools for modern businesses, enabling continuous, up-to-the-minute tracking of Key Performance Indicators (KPIs) to drive immediate, data-driven decisions. By integrating data from ERPs, CRMs, and IoT, these dashboards reduce reliance on outdated reports, improve operational efficiency, and allow for proactive, rapid responses to issues.

Key Indicators:

- Net cash flow
- Free cash flow
- Operating cash flow ratio

Outcome: Enables proactive decision-making.

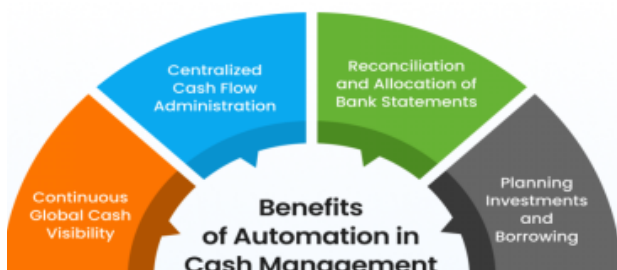
9. Risk Management and Contingency Planning

External risks (inflation, recession, supply disruptions) can impact cash flow. Effective risk management and contingency planning for external threats—such as inflation, recession, and supply chain disruptions—require a proactive approach that prioritizes cash flow visibility, operational agility, and diversified partnerships. External risks are largely uncontrollable, making mitigation through robust planning and financial reserves essential.

Techniques:

- Diversification of suppliers
- Hedging against currency risks
- Emergency financial planning

Outcome: Enhances financial stability under uncertainty.



Therefore, Effective cash flow management is a combination of technology, financial discipline, and strategic planning. Tools like QuickBooks and Xero provide the technological foundation,

while techniques such as working capital optimization, forecasting, and risk management ensure long-term sustainability.

Businesses that actively manage their cash flow are better positioned to survive economic downturns, seize growth opportunities, and maintain financial health.



“Beyond Numbers: AI-Driven Treasury in the Modern Enterprise”

In the era of rapid advancement in AI, AI-driven cash flow forecasting is ushering in a new phase for the corporate treasury function. Advanced machine learning, real-time analytics, and sophisticated simulations enable organizations to achieve levels of accuracy and strategic insight that were previously unimaginable. However, successfully implementing AI in treasury management requires more than just adopting new technology. It demands a shift in mindset, a strong commitment to data quality, and a willingness to integrate human expertise with machine intelligence.

The role of treasury professionals will undoubtedly evolve with this technology. Rather than replacing skilled treasurers, these powerful tools enhance their strategic impact, enabling them to translate financial insights into high-level executive decisions. With AI and human intelligence working in tandem, this partnership transforms liquidity management from a support function into a source of competitive advantage.

Cash Flow Mastery: Unlocking Value Through Smarter Receivables and Payables

In today's dynamic business environment, effective cash flow management is critical for organizational success. Two key components of this process—managing receivables and optimizing payables—play a vital role in maintaining liquidity, improving profitability, and ensuring financial stability. When handled strategically, they can transform working capital management into a powerful competitive advantage.

Managing Receivables: Accelerating Cash Inflows

Receivables represent the money owed to a business by its customers. Efficient receivables management ensures timely collection, reduces the risk of bad debts, and improves cash availability.

One of the most important practices is establishing clear credit policies. Businesses must evaluate customer creditworthiness and set appropriate payment terms. Automation tools such as digital invoicing and AI-based credit scoring further enhance efficiency.



Real-World Example: Amazon

Amazon maintains extremely efficient receivables cycles, especially in its marketplace model. Since customers often pay upfront (via cards or digital wallets), the company receives cash before paying many of its suppliers. This results in a **negative cash conversion cycle**, allowing Amazon to use customer funds to finance operations and expansion.

Case Study: Unilever

Unilever improved its receivables management by implementing centralized digital invoicing and analytics tools. By closely monitoring customer payment patterns and using automated reminders, the company reduced overdue receivables and improved cash flow predictability.



Optimizing Payables: Managing Cash Outflows Strategically

Payables refer to the obligations a company owes to suppliers. Optimizing payables involves managing these payments in a way that preserves cash without harming supplier relationships. Negotiating better payment terms, leveraging early payment discounts, and timing payments effectively are key strategies. Automation ensures accuracy and avoids penalties.

Real-World Example: Apple Inc.

Apple Inc. is known for its strong payables strategy. The company negotiates extended payment terms with suppliers while maintaining strong relationships due to its scale and reliability. This allows Apple to hold onto cash longer, boosting liquidity and investment capacity.

Case Study: Procter & Gamble

Procter & Gamble optimized its payables by standardizing supplier contracts and using supply chain financing programs. This approach allowed suppliers to receive early payments through financial institutions, while P&G retained longer payment cycles—creating a win-win situation.

Hence, Managing receivables and optimizing payables are fundamental to maintaining a healthy cash flow. Real-world examples from companies like Amazon, Apple, and Dell show how strategic working capital management can drive business success.

Conclusion:

In the end, the strength of a business is not just measured by its profits, but by its ability to sustain and adapt—and liquidity lies at the heart of that resilience. Managing cash flow through efficient receivables and optimized payables is more than a financial necessity; it is a strategic lifeline. Businesses that prioritize liquidity are better equipped to navigate uncertainties, seize opportunities, and fuel sustainable growth. In a world of constant change, liquid assets truly form the foundation of a strong and enduring business.

“Efficient Cash Flow, Endless Opportunities.....”



Ms. Janvi Nayyar

I'm Janvi Nayyar, a CMA Finalist with exemptions in the intermediate exams. I graduated as a topper from Ramanujan College under University of Delhi and was honored by Delhi University as a high achiever. Currently, I'm pursuing CMA Articleship at a CA firm. Commerce excites me—it shapes careers and businesses—and I'm passionate about continuous learning, embracing every challenge that sharpens my skills.

“The Talent War No One Sees: How Small Businesses Win Big by Attracting and Retaining the Right People”



Introduction: The Silent Battle Behind Every Growing Business

On a humid Monday morning in Pune, a small manufacturing firm owner, Rakesh, stared at his empty workstation. Not because there was no work—but because his best employee had just resigned.

It wasn't about salary.
It wasn't about workload.
It was about opportunity.

Rakesh's story is not unique. Across India—and globally—small and medium enterprises (SMEs) are facing a silent but fierce battle: attracting and retaining talent in a world dominated by big brands, higher salaries, and flashy perks.

Yet, here's the twist—small businesses are not losing this war. Many are quietly winning it.

This is the story of how.

Chapter 1: Understanding the Talent Crisis

Let's begin with a reality check.

- According to a 2024 report by LinkedIn, 75% of small businesses globally struggle to find qualified talent.
- In India, over 68% of MSMEs report employee retention as their biggest HR challenge.
- Meanwhile, large corporations spend 3–5x more on talent acquisition compared to SMEs.

So, the question is obvious:

How can small businesses compete?

They don't compete the same way.
They compete smarter.

Chapter 2: Why Employees Leave (It's Not What You Think)

Contrary to popular belief, salary is not always the primary reason employees leave.

A survey by Gallup revealed:

- 52% of employees leave due to lack of growth opportunities
- 44% leave because they don't feel valued
- Only 22% cite salary as the main reason

Let's revisit Rakesh's employee.

He didn't leave for money. He left because he couldn't see his future in the company.

This is where most small businesses fail—not in hiring, but in retaining through vision.

Chapter 3: The Hidden Advantage of Small Businesses

Here's something powerful:

Small businesses already have what big companies struggle to create—personal connection, agility, and purpose.

Think about it.

In a large corporation:

- You're one among thousands.
- Your impact is diluted.

In a small business:

- You work directly with founders.
- Your contribution is visible.
- Your growth can be faster.

This is not a weakness.

This is your **biggest strength**.



Chapter 4: Strategy 1 – Sell the Vision, Not Just the Job

When hiring, most SMEs focus on:

- Job role
- Salary
- Responsibilities

But top talent looks for something else:

Purpose

A Harvard Business Review study found that employees who find meaning in their work are 3 times more likely to stay long-term.

What to Do:

- Share your company's story.
- Explain the impact of the role.
- Show how the employee will grow with the business.

Example:

Instead of saying:

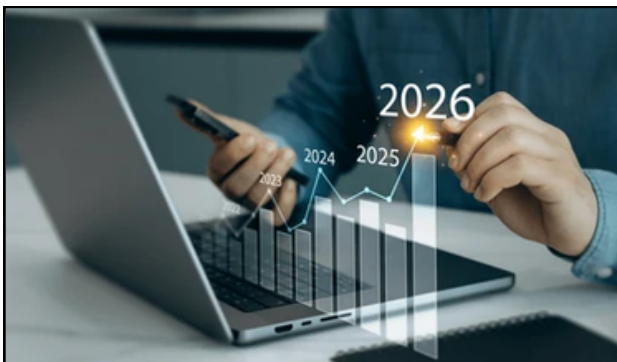
"Accounts Executive needed."

Say:

"Be part of a growing finance team shaping the future of a fast-scaling manufacturing business."

The difference?

One is a job. The other is a journey.



Chapter 5: Strategy 2 – Build Growth Paths (Even If You're Small)

One myth SMEs believe:

"We are too small to offer career growth."

Wrong.

Growth is not about hierarchy—it's about learning and responsibility.

Data Insight:

- Employees who receive continuous learning opportunities are 94% more likely to stay (LinkedIn Workplace Learning Report)

What You Can Do:

- Rotate roles across functions
- Provide mentorship (even from founders)
- Offer skill-based promotions, not just title-based ones

Real Story:

A small startup in Bangalore reduced attrition by 40% simply by introducing quarterly learning goals for employees.

No big budget. Just intention.

Chapter 6: Strategy 3 – Culture Beats Compensation

Let's be honest.

You can't always match salaries with big corporates.

But here's the good news:

You don't need to.

What employees truly want:

- Respect
- Flexibility
- Recognition
- Work-life balance

A Deloitte study found that:

- 83% of employees prefer a positive work culture over higher pay

How SMEs Can Win:

- Celebrate small wins
- Offer flexible working hours
- Encourage open communication
- Build a "no fear" environment

Example:

A Jaipur-based SME introduced a simple practice—weekly "open floor discussions" where employees could speak freely.

Result?

Employee satisfaction increased by 60% within 6 months.

Chapter 7: Strategy 4 – Smart Hiring Over Mass Hiring

Big companies hire in bulk.

Small businesses must hire with precision.

Golden Rule:

Hire for attitude. Train for skill.

Why?

Skills can be taught.

Attitude cannot.

Data Insight:

- Companies that prioritize cultural fit see 30% lower turnover rates

How to Do It:

- Ask behavioral questions in interviews
- Evaluate problem-solving mindset
- Look for long-term alignment, not short-term convenience



Chapter 8: Strategy 5 – Leverage Employer Branding (Even on a Budget)

You don't need a massive HR team to build a brand.

You just need authenticity.

Where to Start:

- Share employee stories on LinkedIn
- Showcase workplace culture on Instagram
- Highlight growth journeys

Stat:

- 86% of job seekers research company culture before applying

If you're not telling your story, someone else is telling it for you.



Chapter 9: Strategy 6 – Recognition is the New Currency

A simple “Well done” can sometimes be more powerful than a bonus.

Data:

- Employees who feel recognized are 5 times more engaged

Ideas for SMEs:

- Employee of the Month (but meaningful, not generic)
- Personalized appreciation messages
- Public recognition in meetings

Real Example:

A small accounting firm in Mumbai started sending handwritten thank-you notes to employees.

Result?

Retention improved significantly, and employee morale skyrocketed.

Chapter 10: Strategy 7 – Flexibility is Your Superpower

Large organizations often struggle with rigid structures.

SMEs can be flexible.

And flexibility is now a major decision factor.

Stats:

- 76% of employees prefer flexible work options
- Hybrid work models improve retention by 25%

What You Can Offer:

- Remote work options
- Flexible timings
- Results-based performance instead of hours-based

Chapter 11: Strategy 8 – Invest in People, Not Just Processes

Many SMEs invest heavily in:

- Machinery
- Technology
- Infrastructure

But forget the most important asset:

People

Reality Check:

- Replacing an employee costs 50%–200% of their annual salary

Retention is not an expense.

It's an investment.

Chapter 12: The Emotional Side of Retention

Let's go back to Rakesh.

After losing his employee, he decided to do something different.

He called his team—not for a meeting, but for a conversation.

He asked:

“What do you want from this company?”

The answers surprised him:

- “We want to learn”
- “We want recognition”
- “We want to feel important”

None of them asked for a salary hike.

That day, Rakesh realized:

People don't leave companies. They leave experiences.



Chapter 13: Building a Talent Magnet Organization

To attract and retain talent, SMEs must become talent magnets.

Key Pillars:

1. Purpose-driven leadership
2. Growth-oriented culture
3. Employee-first mindset
4. Transparent communication

When these align, hiring becomes easier.

Retention becomes natural.



Chapter 14: The Future of Talent in SMEs

The workforce is changing.

- Gen Z will make up 27% of the workforce by 2027
- They value:
 - Purpose over pay
 - Flexibility over hierarchy
 - Growth over stability

SMEs that adapt to this shift will thrive.

Those who don't will struggle.

Conclusion: Small is the New Powerful

Let's end with a powerful truth:

**You don't need to be big to attract great talent.
You need to be meaningful.**

Small businesses have something unique:

- Closeness
- Speed
- Authenticity

When used right, these become **unbeatable advantages.**

Rakesh's company?

A year later, not only did he retain his team—but he built one of the most loyal workforces in his industry.

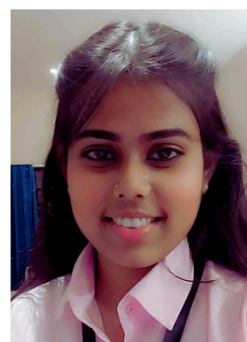
Because he stopped trying to compete with big companies...

...and started becoming a better version of a small one.

Final Thought

In the race for talent, the winners are not those who pay the most.

They are the ones who understand people the best.



CMA Sakshi Soni

Sakshi Soni is a qualified Cost & Management Accountant (CMA) and M.Com (First Class Honours, 2024), currently working as a Functional Consultant at Accenture. She is NISM certified and has prior experience as a Fund Administrator Intern at HSBC. Her interests span global finance, technology, sustainability, spirituality, and responsible business transformation.

The Skills Every Finance Professional Must Learn by 2030: Why Artificial Intelligence and Human Judgment Must Work Together



When I look at the finance profession today, I see a field that is evolving faster than at any time in history. Over the past few years, I have personally experienced how technology, automation, and data-driven decision-making have transformed the way finance teams operate. Tasks that once required long hours of manual work can now be completed within minutes using modern tools.

As a finance professional, I have realized one important truth: **the future of finance will not be defined by technology alone, but by the skills we develop to use that technology effectively.**

By 2030, the expectations from finance professionals will be very different from what they are today. Artificial Intelligence is becoming a normal part of daily work, and organizations are looking for professionals who can combine financial knowledge with technological understanding. Routine tasks will continue to be automated, but human skills such as judgment, communication, and strategic thinking will remain essential.

From my perspective, the biggest opportunity for finance professionals is not to fear Artificial Intelligence, but to learn how to use it wisely.

My Personal Experience with Artificial Intelligence in Finance

In my daily work, I have observed how Artificial Intelligence tools are becoming increasingly useful for finance professionals. These tools are not replacing jobs—they are helping us work more efficiently and focus on higher-value activities.

Tools like ChatGPT, Copilot, Gemini, and Claude have significantly improved the way data is analyzed and reports are prepared. One tool I have found particularly helpful is Microsoft Copilot, which integrates easily with Excel to analyze data, summarize information, and generate insights quickly.

Similarly, Google Gemini acts like a smart assistant when working with spreadsheets, making data analysis faster and more convenient.

Another tool I find useful is Claude AI, which is fast and reliable for handling large amounts of information and preparing structured responses. However, one important lesson I have learned is that Artificial Intelligence should always be used carefully. While these tools are powerful, their outputs must be reviewed before making decisions.

Artificial Intelligence should support human judgment—not replace it.

How Artificial Intelligence is Impacting Companies and the Job Market

The introduction of Artificial Intelligence is not only changing individual roles—it is also affecting entire industries.

Companies that provide data management and IT services are experiencing significant changes as automation becomes more common. Organizations are increasingly adopting AI technologies to improve efficiency and reduce costs. As a result, traditional service models are evolving.

For example, large IT service companies such as TCS and similar organizations are investing heavily in Artificial Intelligence and automation to remain competitive. In financial markets, technological disruption can influence investor confidence and share prices, especially when businesses are expected to adapt quickly to new technologies.

These changes show that Artificial Intelligence is not just a technical innovation—it is a business transformation that affects employment, productivity, and market performance.



The Most Important Skills Every Finance Professional Must Learn by 2030

Based on my experience and observation of industry trends, there are several key skills that every finance professional must develop to remain relevant in the coming years.



1. Data Analysis and Interpretation

One of the most valuable skills in finance today is the ability to analyze data and identify meaningful insights.

Every organization generates large volumes of financial data, but the real challenge is understanding what that data means. Finance professionals must be able to identify trends, detect risks, and provide recommendations based on evidence.

In my experience, the professionals who can interpret data effectively become trusted advisors within their organizations.

By 2030, data analysis will be a basic requirement for finance roles.

2. Financial Modeling and Forecasting

Financial modeling is one of the most practical skills in finance. Organizations rely on financial models to evaluate investments, plan budgets, and forecast future performance.

However, forecasting has become more challenging due to economic uncertainty and rapidly changing market conditions.

Finance professionals must learn how to build flexible models that can adapt to different scenarios. These models help organizations prepare for risks and make informed decisions.

From my perspective, strong financial modeling skills will remain highly valuable in the future.

3. Technology and Artificial Intelligence Literacy

Technology is becoming an essential part of finance operations. Finance professionals must understand how to use modern tools effectively.

This does not mean becoming a programmer. It means learning how to work with technology and use it to improve productivity.

Some important areas of technology literacy include:

- Artificial Intelligence tools
- Automation software
- ERP systems
- Data visualization tools
- Spreadsheet automation

Professionals who understand technology will be able to complete tasks faster and deliver better insights.

4. Communication and Storytelling

Communication is one of the most underrated skills in finance.

Finance professionals often work with complex data, but their success depends on their ability to explain that data clearly. Decision-makers rely on finance teams to provide simple and actionable insights.

In my experience, clear communication can make the difference between a good analysis and a successful decision.

By 2030, communication skills will be just as important as technical expertise.

5. Process Improvement and Automation

Automation is becoming a key driver of efficiency in finance operations.

Finance professionals must learn how to identify inefficiencies and improve workflows. By implementing automation, organizations can reduce manual work and improve accuracy.

This allows finance teams to focus on strategic activities rather than routine tasks.



Why Every CMA and Finance Professional Should Learn Artificial Intelligence

From my perspective, learning Artificial Intelligence is no longer optional for finance professionals, especially for those pursuing professional qualifications such as CMA or working in finance roles.

Artificial Intelligence can save significant time by automating routine tasks such as:

- Financial reporting
- Data analysis
- Forecasting
- Reconciliation
- Documentation

Instead of spending hours on repetitive work, professionals can focus on strategic activities.

Finance professionals who learn Artificial Intelligence early will have a strong competitive advantage in the job market.

My Advice to Future Finance Professionals

If I had to give one piece of advice to finance students and professionals, it would be this:

Start learning Artificial Intelligence as early as possible.

You do not need to become an expert in programming. What matters is understanding how to use technology effectively in your daily work.

Even small improvements—such as automating reports or analyzing data using AI—can significantly improve productivity.

In my view, Artificial Intelligence is not a threat to finance jobs. It is an opportunity to grow, improve efficiency, and create more value.

Conclusion

The finance profession is entering a new era defined by technology, data, and innovation.

By 2030, the most successful finance professionals will be those who combine technical knowledge with analytical skills, strategic thinking, and technological awareness.



CMA Lakshman Singh Rajput

Lakshman is a qualified Cost and Management Accountant (CMA) with a strong foundation in finance and corporate strategy. He has completed professional exposure in Investment Banking through Sparrow Advisory, where he worked on financial analysis, business understanding, and investment-related activities. He has gathered knowledge in capital markets, financial planning and financial decision-making.

Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA)



Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA) is a comprehensive development initiative launched by the Government of India to accelerate the socio-economic progress of tribal communities living in remote and underdeveloped regions of the country. The programme seeks to transform tribal villages through integrated development by strengthening infrastructure, improving access to essential services, and promoting sustainable livelihood opportunities. The initiative reflects the Government's commitment to inclusive growth and aims to ensure that tribal populations are not left behind in the nation's development journey.

The campaign is implemented under the leadership of the Ministry of Tribal Affairs and honors the legacy of the great tribal freedom fighter Birsa Munda, who is widely revered as "Dharti Aaba" (Father of the Earth). His life and struggle symbolize the fight for tribal rights, dignity, and self-reliance. By naming the programme after him, the government intends to acknowledge the historical contribution of tribal leaders and inspire a new era of empowerment and development in tribal regions.

Historical Context and Inspiration

India is home to one of the largest tribal populations in the world. According to national census data, tribal communities constitute a significant portion of the population and are spread across several states, particularly in central, eastern, and northeastern India. Despite their rich cultural heritage, traditional knowledge, and close relationship with nature, many tribal communities have historically faced economic marginalization, limited access to education and healthcare, and inadequate infrastructure.

Over the years, various government initiatives have been implemented to improve the conditions of tribal communities. However, the development gap between tribal and non-tribal regions has remained a challenge due to geographical isolation, limited connectivity, and lack of integrated planning. Recognizing these issues, the Government of India launched the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan as a large-scale mission to bring transformative change to tribal villages.

The programme was formally launched on 2 October 2024 by Narendra Modi. The launch coincided with the national emphasis on rural development and social inclusion, highlighting the government's intention to prioritize tribal welfare as a central component of national growth.

Vision and Mission

The central vision of DAJGUA is to ensure holistic and sustainable development of tribal villages. The mission focuses on improving the quality of life of tribal communities by providing better access to education, healthcare, infrastructure, digital connectivity, and livelihood opportunities.

The programme seeks to achieve the following goals:

- **Inclusive Development:** Ensure that tribal communities benefit from national development programs and policies.
- **Improved Living Standards:** Provide access to basic amenities such as clean drinking water, electricity, roads, and sanitation.
- **Human Resource Development:** Strengthen educational and skill-development opportunities for tribal youth.
- **Economic Empowerment:** Promote sustainable livelihoods and entrepreneurship in tribal areas.
- **Social Security and Welfare:** Ensure effective delivery of welfare schemes to tribal populations.
- **Cultural Preservation:** Protect and promote the unique cultural traditions and heritage of tribal communities.

Coverage and Scale of the Programme

The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan is one of the largest tribal development initiatives in India. It covers a wide geographical area and aims to benefit millions of tribal citizens across the country.

Key highlights of the programme include:

- Coverage of more than 63,000 tribal villages across India.
- Implementation across over 30 States and Union Territories.
- Inclusion of approximately 549 districts and nearly 3,000 administrative blocks.
- Expected benefits for over 5 crore tribal citizens.
- A financial allocation of approximately ₹79,000 crore for infrastructure development, social services, and livelihood programmes.

The large scale of the programme reflects the government's commitment to addressing long-standing challenges faced by tribal communities.

Integrated Development Approach

One of the most important features of DAJGUA is its **integrated and multi-sectoral approach**. The programme involves coordination among several ministries and departments to ensure that development initiatives are implemented effectively.

Approximately **17 central ministries** collaborate under this initiative to implement around **25 key development interventions**. These interventions cover a wide range of sectors including education, health, infrastructure, digital connectivity, and livelihood development.

By bringing multiple government departments together under a single mission framework, the programme aims to reduce duplication, improve efficiency, and ensure that tribal villages receive comprehensive development support.

Key Components of the Programme

1. Infrastructure Development

Infrastructure development is one of the primary pillars of the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan. Many tribal villages are located in remote areas with limited connectivity.

The programme focuses on improving infrastructure through:

- Construction and improvement of rural roads.
- Expansion of electricity supply and renewable energy solutions.
- Development of drinking water facilities.
- Improved sanitation and waste management systems.
- Strengthening of digital connectivity and internet access.

These infrastructure improvements are expected to enhance mobility, economic opportunities, and access to government services in tribal regions.

2. Education and Skill Development

Education plays a crucial role in empowering tribal communities and enabling social mobility. DAJGUA aims to expand educational opportunities for tribal students through:

- Establishment of **tribal hostels and residential schools**.
- Strengthening of **Eklavya Model Residential Schools (EMRS)**.
- Scholarship programs and financial support for students.
- Digital education initiatives and smart classrooms.
- Skill development and vocational training programmes.

These initiatives aim to equip tribal youth with the knowledge and skills needed to participate in the modern economy while maintaining their cultural identity.

3. Healthcare and Nutrition

Healthcare access remains a significant challenge in many tribal regions due to geographical isolation and limited medical infrastructure.



The programme seeks to address these issues by:

- Deploying **mobile medical units** in remote villages.
- Strengthening primary healthcare centers.
- Expanding maternal and child health services.
- Improving nutrition programs through **Anganwadi centers**.
- Conducting health awareness campaigns.

By improving healthcare services, the programme aims to reduce disease burden and improve overall health outcomes in tribal communities.

4. Livelihood and Economic Development

Economic empowerment is a key focus of DAJGUA. The programme encourages tribal communities to engage in sustainable livelihood activities through:

- Skill training and entrepreneurship development.
- Promotion of traditional handicrafts and forest-based products.
- Establishment of **Van Dhan Vikas Kendras** for value addition of forest produce.
- Support for self-help groups and micro-enterprises.
- Linkages with markets and digital platforms.

These initiatives help tribal communities increase their income while preserving their traditional knowledge and natural resources.

5. Digital and Financial Inclusion

In today's digital era, access to technology and financial services is essential for economic growth. The programme promotes digital inclusion by:

- Expanding internet connectivity in tribal villages.
- Promoting digital literacy programmes.
- Facilitating access to banking and financial services.
- Encouraging use of digital payment systems.

Role of Community Participation

A significant aspect of the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan is **community participation**. The programme encourages active involvement of tribal communities in planning and implementing development activities.

Local governance institutions such as **Gram Sabhas and Panchayats** play an important role in identifying community needs, monitoring project implementation, and ensuring transparency. This participatory approach ensures that development initiatives are aligned with the aspirations and priorities of tribal communities.



Environmental Sustainability

Tribal communities have traditionally lived in harmony with nature and possess deep ecological knowledge. DAJGUA emphasizes sustainable development practices that respect environmental balance.

The programme promotes:

- Sustainable forest management.
- Conservation of biodiversity.
- Promotion of eco-friendly livelihood activities.
- Responsible use of natural resources.

By integrating environmental sustainability with economic development, the programme seeks to create a balanced model of progress.

Significance for National Development

The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan holds great significance for India's broader development goals. Tribal regions often contain valuable natural resources and cultural heritage, making them an important part of the country's social and economic fabric.

The programme contributes to:

- Reducing regional development disparities.
- Strengthening rural economies.
- Empowering marginalized communities.
- Promoting social justice and equality.
- Enhancing national unity and cultural diversity.

By improving living conditions in tribal areas, the initiative supports the broader vision of inclusive and sustainable development.

Challenges and Future Prospects

While the programme has immense potential, its success depends on effective implementation and coordination among various stakeholders. Some challenges that may arise include:

- Geographic isolation of tribal villages.
- Limited administrative capacity in remote areas.
- Ensuring transparency and accountability.
- Maintaining cultural sensitivity during development interventions.

Addressing these challenges will require continuous monitoring, community engagement, and policy innovation.

Looking ahead, the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan has the potential to become a transformative model for tribal development. By combining infrastructure development, social welfare, economic empowerment, and environmental sustainability, the programme can significantly improve the lives of millions of tribal citizens.

Conclusion

The Dharti Aaba Janjatiya Gram Utkarsh Abhiyan (DAJGUA) represents a landmark initiative in India's efforts to promote inclusive growth and tribal empowerment. Inspired by the legacy of Birsas Munda and implemented by the Ministry of Tribal Affairs, the programme seeks to bring comprehensive development to thousands of tribal villages across the country.

Through its integrated approach covering infrastructure, education, healthcare, livelihood development, and digital inclusion, the initiative aims to bridge the development gap between tribal and non-tribal regions. By empowering tribal communities and improving their quality of life, the programme contributes to the broader vision of a prosperous and equitable India.

In essence, the Dharti Aaba Janjatiya Gram Utkarsh Abhiyan is not merely a development programme; it is a national commitment to ensuring that tribal communities become active partners in India's journey toward sustainable and inclusive progress.



CMA Rohan Sharma

CMA Rohan Sharma is a finance professional and mentor known for helping CMA students and fresh graduates build strong careers. With experience in costing, taxation, budgeting, and SAP FICO, he has guided thousands through his platform Career Success Launchpad. His simple teaching style and practical insights have helped many learners secure roles in PSUs, MNCs, and top corporates. He is SAP FI & CO Certified with 7 years of corporate experience.

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National SC/ST Hub (NSSH)



The *National SC/ST Hub (NSSH)* is a flagship initiative of the Government of India aimed at promoting entrepreneurship among Scheduled Caste (SC) and Scheduled Tribe (ST) communities. The programme is implemented by the Ministry of Micro, Small and Medium Enterprises with the objective of strengthening SC/ST-owned Micro and Small Enterprises (MSEs) and helping them participate effectively in government procurement and business opportunities.

The scheme was launched in *2016* to build a supportive ecosystem for SC/ST entrepreneurs by providing financial assistance, capacity building, market linkages, and mentoring support.

Background and Need for the Scheme

In India, a significant portion of the population belongs to Scheduled Castes and Scheduled Tribes. Despite various development programs, many SC/ST communities have historically faced challenges such as limited access to finance, lack of business training, low participation in government procurement, and restricted market exposure.

To address these challenges, the Government introduced the National SC/ST Hub to ensure that entrepreneurs from these communities receive adequate institutional support. The programme aligns with the *Public Procurement Policy for Micro and Small Enterprises, which mandates that at least **4% of government procurement should be sourced from SC/ST-owned enterprises*.

The hub helps SC/ST entrepreneurs build the capacity needed to supply goods and services to government departments, public sector undertakings, and large corporations.

Objectives of the National SC/ST Hub

The National SC/ST Hub has several important objectives focused on empowering SC/ST entrepreneurs and strengthening their participation in the MSME sector.

1. Promote Entrepreneurship

The scheme encourages members of SC/ST communities to start their own businesses by providing training, mentorship, and institutional support.

2. Increase Participation in Public Procurement

One of the main goals is to help SC/ST enterprises participate in government procurement processes and fulfill the 4% procurement mandate for SC/ST businesses.

3. Improve Business Competitiveness

The hub provides support for technology upgrades, quality certification, and productivity improvements so that SC/ST enterprises can compete effectively in domestic and global markets.

4. Facilitate Access to Finance

Many entrepreneurs face difficulties obtaining credit. The scheme helps them access bank loans, subsidies, and financial support through various government programs.

5. Provide Capacity Building and Skill Development

Training programs, workshops, and entrepreneurship development courses are organized to improve the managerial and technical skills of SC/ST entrepreneurs.

Implementation and Institutional Structure

The National SC/ST Hub is implemented through the National Small Industries Corporation, which functions under the Ministry of MSME. The organization provides on-ground support, organizes training programs, and facilitates interactions between entrepreneurs and government procurement agencies.

The hub operates through multiple offices across the country to ensure outreach and support for entrepreneurs at regional and state levels. These offices coordinate with industry associations, financial institutions, and government departments to deliver services to beneficiaries.



Key Components of the National SC/ST Hub

The scheme includes several interventions designed to support SC/ST entrepreneurs throughout their business lifecycle.

1. Financial Support and Subsidy

The scheme provides financial assistance through credit facilitation and subsidy programs. One such benefit is a capital subsidy of up to 25% (maximum ₹25 lakh) for purchasing plant and machinery for SC/ST-owned enterprises.

This financial support helps entrepreneurs modernize their operations and improve productivity.

2. Capacity Building and Training

The hub conducts training programs to enhance entrepreneurial and managerial skills. These programs include:

- Entrepreneurship Development Programs
- Skill development training
- Management and technical workshops
- Industry-specific training

Participants often receive training materials, toolkits, and mentoring support after completing these programs.

3. Market Access and Procurement Support

One of the major benefits of the scheme is helping SC/ST entrepreneurs connect with markets. The hub assists businesses in:

- Participating in vendor development programs
- Attending domestic and international exhibitions
- Establishing linkages with government buyers
- Registering on procurement portals

This enables entrepreneurs to access large government and corporate markets.

4. Technology and Quality Upgradation

To compete effectively, businesses must adopt modern technology and maintain quality standards. The scheme supports:

- Technology upgrades
- Quality certification
- Product standardization
- Consultancy services

These interventions help enterprises enhance their competitiveness and credibility in the market.

5. Mentoring and Handholding Support

The National SC/ST Hub provides continuous guidance to entrepreneurs through:

- Business mentoring
- Consultancy services
- Project report preparation
- Assistance in registration and compliance

Experts and industry professionals often mentor entrepreneurs to help them scale their businesses.

Eligibility Criteria

The scheme is primarily designed for SC/ST-owned Micro and Small Enterprises (MSEs).

Eligibility conditions include:

- The entrepreneur must belong to the Scheduled Caste or Scheduled Tribe category.
- In proprietary firms, the proprietor must be SC/ST.



- In partnerships or companies, at least 51% ownership must be held by SC/ST individuals.
- The enterprise should qualify as a Micro or Small Enterprise under MSME definitions.

Major Benefits of the Scheme

The National SC/ST Hub offers multiple benefits to entrepreneurs, including:

- Financial support and subsidies
- Entrepreneurship development training
- Market linkage opportunities
- Access to government procurement
- Technology upgradation support
- Mentoring and consultancy services
- Participation in trade fairs and exhibitions

These benefits help entrepreneurs expand their businesses and create employment opportunities.

Achievements and Impact

Since its launch, the National SC/ST Hub has contributed significantly to promoting entrepreneurship among SC/ST communities. Thousands of entrepreneurs have participated in training programs and vendor development initiatives.

Government procurement from SC/ST enterprises has also increased steadily over the years. For example, procurement worth thousands of crores has been made from SC/ST MSMEs, benefiting many businesses across India.

This progress reflects the growing participation of SC/ST entrepreneurs in the formal economy.





Importance for Inclusive Economic Development

The National SC/ST Hub plays a crucial role in promoting **inclusive economic growth** in India. By empowering entrepreneurs from historically disadvantaged communities, the scheme contributes to:

- Reduction of economic inequality
- Promotion of social justice
- Expansion of the MSME sector
- Generation of employment opportunities
- Strengthening of local and regional economies

Entrepreneurship also enables individuals to become job creators rather than job seekers, which supports sustainable development.

Challenges and Future Opportunities

Despite its success, several challenges remain in fully realizing the potential of the National SC/ST Hub.

Some key challenges include:

- Limited awareness about the scheme among rural entrepreneurs
- Difficulty in accessing finance for new businesses
- Lack of technical knowledge in some sectors
- Market competition from large enterprises

Conclusion

The **National SC/ST Hub (NSSH)** is an important initiative of the Government of India designed to empower Scheduled Caste and Scheduled Tribe entrepreneurs. By providing financial support, training, market access, and mentoring, the scheme aims to create a strong ecosystem for SC/ST-owned businesses.

Through its integrated approach, the programme helps entrepreneurs overcome traditional barriers and participate actively in the MSME sector and government procurement system. Over time, the initiative is expected to promote inclusive economic growth, create employment opportunities, and strengthen the participation of SC/ST communities in India's economic development.



CMA Madhuri Kashyap

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Former President, International Navodaya Chamber of
Commerce

TEAM Scheme under the National Small Industries Corporation (NSIC)



The Trade Enablement and Marketing (TEAM) Scheme is an important initiative implemented by the National Small Industries Corporation, a Government of India enterprise under the Ministry of Micro, Small and Medium Enterprises. The scheme has been designed to support Micro, Small and Medium Enterprises (MSMEs) in enhancing their market access, improving their digital capabilities, and strengthening their competitiveness in domestic as well as global markets. In the rapidly evolving digital economy, MSMEs face challenges in adopting modern marketing tools, participating in e-commerce platforms, and connecting with larger supply chains. The TEAM Scheme seeks to bridge this gap by providing structured support, training, and digital enablement opportunities to MSMEs.

Background and Need for the Scheme

MSMEs play a vital role in the Indian economy. They contribute significantly to employment generation, industrial output, exports, and regional development. However, many MSMEs struggle with limited access to markets, lack of digital literacy, and insufficient marketing resources. With the increasing shift toward digital trade and online marketplaces, it has become essential for small enterprises to adopt technology-driven marketing strategies.

Recognizing these challenges, the Government of India has introduced various initiatives through the Ministry of MSME and implementing agencies such as NSIC. The TEAM Scheme is one such initiative that focuses specifically on trade facilitation and marketing support through digital platforms. The scheme aims to empower MSMEs by helping them participate in e-commerce ecosystems, expand their business networks, and improve their overall market presence.

Objectives of the TEAM Scheme

The TEAM Scheme has several important objectives aimed at strengthening the MSME sector:

1. Digital Enablement of MSMEs

The primary objective of the scheme is to help MSMEs adopt digital tools and platforms for marketing their products and services. By facilitating their entry into e-commerce marketplaces, the scheme ensures that small enterprises can reach a wider customer base.

2. Enhancing Market Access

One of the biggest challenges for MSMEs is limited access to large buyers and institutional markets. The TEAM Scheme aims to create opportunities for MSMEs to connect with government buyers, corporate buyers, and international customers.

3. Capacity Building and Training

The scheme emphasizes the importance of training and awareness programs. Through workshops, seminars, and skill development sessions, MSME entrepreneurs are trained in areas such as digital marketing, product branding, e-commerce operations, and customer engagement.

4. Promoting Inclusive Entrepreneurship

The scheme also focuses on promoting entrepreneurship among SC/ST entrepreneurs, women entrepreneurs, and startups. By providing them with access to digital platforms and marketing tools, the scheme contributes to inclusive economic growth.

5. Strengthening MSME Competitiveness

By adopting modern marketing techniques and improving their digital presence, MSMEs can enhance their competitiveness in both domestic and international markets.



Key Features of the TEAM Scheme

The TEAM Scheme includes several important features that make it beneficial for MSMEs:

1. Onboarding Support on E-Commerce Platforms

Under the scheme, MSMEs receive assistance in registering and onboarding on leading e-commerce platforms. This enables them to showcase their products to a larger audience and participate in digital trade.



2. Subsidized Participation

The scheme provides financial assistance or subsidized support to MSMEs for onboarding and marketing activities on digital platforms.

3. Digital Cataloging and Branding Support

MSMEs are guided on how to create professional product catalogs, improve product descriptions, and build attractive brand profiles online.

4. Training and Awareness Programs

NSIC organizes training programs to help entrepreneurs understand the functioning of e-commerce platforms, digital payment systems, logistics management, and online customer engagement.

5. Networking Opportunities

The scheme facilitates interaction between MSMEs and large buyers such as public sector undertakings (PSUs), government departments, and private sector companies*.

Role of the National Small Industries Corporation (NSIC)

The *National Small Industries Corporation* plays a crucial role in implementing the TEAM Scheme. As a government enterprise dedicated to promoting small industries, NSIC acts as a *facilitator, coordinator, and implementing agency*.

NSIC's responsibilities include:

- * Identifying eligible MSMEs and assisting them in joining the scheme.
- * Conducting training and awareness programs across different regions.
- * Coordinating with e-commerce platforms and digital service providers.
- * Providing guidance on compliance, documentation, and digital onboarding.
- * Monitoring the progress and outcomes of the scheme.

Through its extensive network of offices and training centers across India, NSIC ensures that the benefits of the TEAM Scheme reach MSMEs in both urban and rural areas.

Benefits of the TEAM Scheme for MSMEs

The TEAM Scheme offers numerous benefits to MSMEs:

1. Expanded Market Reach

By joining digital platforms, MSMEs can reach customers across India and even internationally.

2. Improved Business Visibility

Online marketplaces provide greater visibility to MSME products and services, helping them build brand recognition.

3. Access to Institutional Buyers

MSMEs can connect with government buyers, PSUs, and large corporate organizations.

4. Cost-Effective Marketing

Digital platforms offer affordable marketing opportunities compared to traditional advertising channels.

5. Enhanced Business Growth

Increased sales and better market access lead to improved financial performance and business growth.

6. Skill Development

Entrepreneurs gain valuable knowledge about digital tools, marketing strategies, and modern business practices.

Importance for SC/ST and Women Entrepreneurs

One of the major focus areas of the TEAM Scheme is to promote *inclusive entrepreneurship. Special attention is given to enterprises owned by **SC/ST communities and women entrepreneurs*. These groups often face challenges in accessing markets, financial resources, and technology. By providing them with digital marketing opportunities and capacity-building support, the scheme helps reduce these barriers and encourages their active participation in the economy.

The scheme also aligns with other government initiatives such as *Start-up India, Digital India, and MSME development programs*, which aim to create a more inclusive and technology-driven business ecosystem.

Contribution to the Digital Economy

The TEAM Scheme contributes significantly to the development of India's *digital economy*. As more MSMEs adopt e-commerce platforms and digital marketing tools, the overall efficiency and competitiveness of the MSME sector improve. Digital platforms enable faster transactions, better customer engagement, and improved supply chain management.



Furthermore, the scheme encourages MSMEs to adopt digital payment systems, online order management, and data-driven business strategies. These capabilities help small businesses operate more efficiently and compete with larger organizations.



While the TEAM Scheme provides valuable support, certain challenges remain. Many MSMEs still lack adequate digital literacy and infrastructure. Some entrepreneurs are hesitant to adopt new technologies due to lack of awareness or confidence.

Challenges and the Way Forward

To address these challenges, continuous efforts are required in the following areas:

- Expanding digital literacy programs for MSME entrepreneurs.
- Strengthening training initiatives and mentorship support.

- Improving internet connectivity and digital infrastructure in rural areas.
- Encouraging collaborations between government agencies, industry bodies, and private sector partners.

By addressing these challenges, the TEAM Scheme can achieve even greater impact in the coming years.

Conclusion

The TEAM Scheme under the National Small Industries Corporation represents a significant step toward strengthening the MSME sector through digital enablement and marketing support. By facilitating access to e-commerce platforms, providing training and capacity-building opportunities, and promoting inclusive entrepreneurship, the scheme empowers MSMEs to expand their market reach and improve their competitiveness.

As India continues to move toward a digitally driven economy, initiatives like the TEAM Scheme will play a crucial role in ensuring that small enterprises are not left behind. By equipping MSMEs with modern marketing tools and digital capabilities, the scheme contributes to sustainable business growth, job creation, and overall economic development.

In the long run, the success of the TEAM Scheme will depend on effective collaboration between government institutions, industry organizations, and MSME entrepreneurs. With the right support and continued innovation, the scheme has the potential to transform the marketing landscape for MSMEs and strengthen India's position in the global economy.



Sandeep Kumar (FCMA, CA)

President - International Navodaya Chamber of Commerce

Income Tax Act, 2025



Old Form	New Form(s)	Applicable To
Form 49B	Form No. 134	Government entities (mandatory AIN and PAO/ZAO/DTO/CDDO certificate)
Form 49B	Form No. 135	Entities other than Government (Individual/HUF, business, LLP, firm, company, statutory body)

Other Forms & Compliance Statements

1. Is there any change in the application forms for applying for a new PAN number?

Yes. The PAN application forms being used in the framework of Income Tax Act, 2025 have been restructured as under:

Old Form	New Form(s)	Applicable To
Form 49A	Form No. 93	Indian individuals (Citizens of India)
Form 49A	Form No. 94	Indian Companies / Entities incorporated or formed in India
Form 49AA	Form No. 95	Individuals not being Citizens of India
Form 49AA	Form No. 96	Entities Incorporated or formed outside India

By splitting multi-purpose forms into category-specific forms, each new form contains only relevant fields, making them easier to understand and fill.

2. I want to apply for a new Permanent Account Number after 1st April, 2026. Which form should I use?

The applications for allotment of a new permanent account Number on or after 01.04.2026 should be filed in the new Forms as prescribed under Income Tax Rules, 2026.

3. What will happen to PAN applications pending as on 31.03.2026? Will they become invalid on 01.04.2026? Is a fresh application required under the new Act?

PAN allotment applications that are pending as on 31.03.2026 will continue to remain valid. There is no requirement to submit a fresh application under the new Act.

4. How has the TAN application form been simplified under the new Act?

The old single TAN application Form 49B has been split into two forms:

5. Are existing PAN/TAN numbers affected by the new forms?

No. Existing PAN/TAN numbers remain valid and continue under the Income Tax Act, 2025. The new forms (93, 94, 95, 96, 134 and 135) are only for fresh applications to be filed on or after 01.04.2026.

6. Under the Income Tax Act 1961, quoting of PAN is mandatory at the time of undertaking certain specified transaction. However, if an individual does not have PAN number, he can undertake such transactions by filing form No. 60. Does a similar mechanism available in the Income Tax Act, 2025?

Yes. Under the Income Tax Act, 2025 persons who do not possess PAN number may enter into a transaction specified in Rule 159(2) of the Income Tax Rules 2026 upon filing a declaration in Form No. 97. Thus, the Form No. 97 under the new Act replaces the earlier form number No. 60. However, there is some change in the scope of transactions mentioned in the new Rule 159(2) as against transactions mentioned in Rule 114B and 114BA of IT Rules, 1962.

7. Under the Income Tax Act 1961, every person who has received declaration in form No. 60 was required to file a half yearly statement to the Income Tax Department in form No. 61. Does this requirement continue under the Income Tax Act 2025?

Yes. Under the Income Tax Rule 2026, every person receiving declaration in form No. 97 is required to file half yearly statement in Form No. 98 to the Income Tax Department.

8. What are the due dates of filling of Form 97 and Form 98 under the framework of Income Tax Act 2025?

The periodicity of filing of Form 97 and Form 98 is as under:

Form Number	Period	Due Date for Filing
97 (by declarant)	Not Applicable	At the time of undertaking the specified transaction.

Form Number	Period	Due Date for Filing
98 (by Reporting Entity)	Declarations received during April – September	31 st October of the Financial Year
98 (by Reporting Entity)	Declarations received during October – March	30 th April of the next Financial Year

9. What is the purpose of a lower/nil withholding certificate and what is its corresponding provision under the Income-tax Act, 2025?

A lower/nil withholding certificate enables a taxpayer to have TDS deducted at a rate lower than the prescribed/ Nil rate, where the taxpayer's estimated total income justifies this. Under the Income-tax Act, 1961, this provision was contained in Section 197. Under the Income-tax Act, 2025, the corresponding provisions are contained in Section 395(1). The substantive provisions remain the same – the payee applies to the Assessing Officer, who, on being satisfied that the total income justifies the lower rate, issues a certificate accordingly.

10. Will a lower/nil withholding certificate issued under Section 197 of the old Act remain valid for payments/credits made on or after 1st April, 2026?

Yes. A certificate issued under Section 197 of the Income-tax Act, 1961 shall remain valid for payments/credits made on or after 1st April, 2026 provided that it is issued for lower/Nil deduction of tax in respect of projected receivable for tax year 2026- 27.

11. What is the process for obtaining a lower/nil withholding certificate under the new Act for Tax Year 2026-27?

The payee must make an application in form No. 128 as prescribed in the Income Tax Rules 2026. The Assessing Officer, on being satisfied that the total income of the payee justifies a lower rate or no deduction, will issue a certificate specifying the rate and its period of validity. The application process will be available through the TRACES portal or the e-filing portal, similar to the existing process.

12. What is the underlying purpose of Form 15G and Form 15H being filed under the 1961 Act?

Under the statutory framework of 1961 Act, Form 15G and Form 15H are selfdeclarations submitted by eligible taxpayers to the payer (such as a bank or financial institution) requesting non-deduction of TDS.

13. Which statutory provisions governed Forms 15G and 15H under the Income Tax Act, 1961, and what is the corresponding provision under the Income Tax Act, 2025?

Under the Income-tax Act, 1961, Forms 15G and 15H were governed by Section 197A. Under the Income-tax Act, 2025, the corresponding provision is Section 393(6),

which permits a recipient of income to furnish a written declaration that tax on his estimated total income of the tax year will be nil.

14. In what format should Form 15G/15H be submitted for Tax Year 2026-27?

For a tax year beginning on or after 01.04.2026, such declaration must be furnished in Form No. 121 as prescribed under the Income-tax Rules, 2026.

15. Who are eligible to furnish Form 15G and Form 15H under the old statutory framework and is there any change in the eligibility criteria under the 2025 Act?

Form 15G may be furnished by a resident individual below 60 years of age or other eligible persons (excluding companies and firms), subject to prescribed income thresholds. Form 15H may be furnished by a resident individual aged 60 years or more. The eligibility criteria continue to be same under Section 393(6) of the 2025 Act.

16. What difficulties were being faced under the earlier system of allotting separate UIN for each Form 15G/15H, and how has the revised framework addressed this issue?

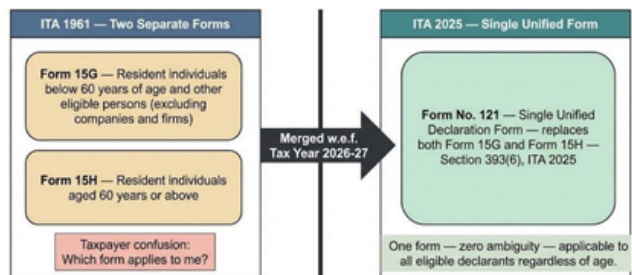
Under the earlier system, each payer or deductor was required to generate a separate Unique Identification Number (UIN) for every Form 15G/15H received, even if the declarant's PAN and the tax year were the same. This resulted in duplication and practical difficulties in reconciliation.

Under the revised framework, a single UIN will be allotted by the department for each PAN for a given tax year. All declarations furnished by the same taxpayer to different payers will be linked to this one UIN, thereby ensuring consolidation, streamlined tracking, and elimination of duplication. A facility will be provided to payers to fetch the relevant UIN from the departmental portal.

17. In the earlier framework, taxpayers often faced confusion in determining whether to file Form 15G or Form 15H. How has this issue been resolved in the new system?

Previously, taxpayers had to determine eligibility and furnish either Form 15G or Form 15H, which sometimes created uncertainty. The revised framework merges both forms into a single unified Form 121, thereby eliminating ambiguity and simplifying compliance for taxpayers as well as payers.

Form 15G and Form 15H - Merged into Single Unified Form under ITA 2025



18. Which form is required to be filed in order to claim relief for mitigating the higher tax liability arising from receipt of salary in arrears or advance under the Income Tax Act, 2025?

Section 157 of the Income Tax Act, 2025 provides relief to a taxpayer where salary is being received in advance or arrears or receipt of gratuity or retrenchment compensation or commutation of pension. The purpose is to neutralise the higher tax burden from bunching of income in a single year. Under the Income Tax Act, 1961, the assessee was required to file Form 10E in order to claim such relief, however, under the Income Tax Act, 2025, the assessee is required to file Form No. 39, on or before the due date specified under section 263(1) (c) of the Act for claiming this relief.

19. What is the structure of Form 39 required to be filed under the Income Tax Act, 2025?

The Form 39 comprises two parts:

- (i) Part A – Basic details of the taxpayer and the Tax Year for which relief is claimed;
- (ii) Part B – Details of receipts (additional salary, gratuity, retrenchment compensation, commutation of pension) with uniform computation tables and auto-populated relief;

20. How the Form No. 39 has been improved as compared to earlier Form No. 10E?

Earlier, Form No. 10E required taxpayers to repeatedly enter the same personal and financial details, increasing compliance burden, consuming time, and leading to errors.

Form 39 addresses these issues through a smart, technology-driven interface featuring auto-population of data, real-time validations, standardized input tools (drop-downs and date pickers), database integration, checkbox-based verification, etc. These improvements reduce duplication, enhance accuracy, and simplify compliance.

21. What are other improvements made in the Form No. 39 as compared to the earlier Form No. 10E?

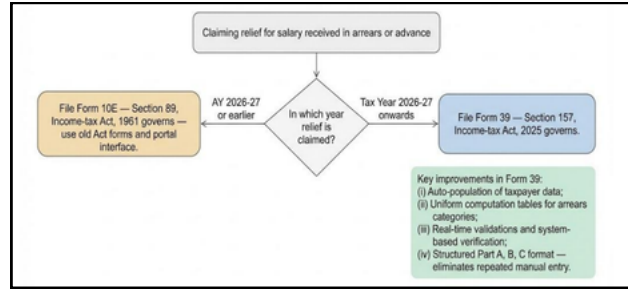
The earlier Form did not contain structured computation tables to calculate total income and tax relief under Section 89(1) of the 1961 Act. This lack of clarity often caused confusion for taxpayers while determining eligible relief amounts.

However, Form No. 39 now includes uniform computation tables for each category of receipt, such as Additional salary, Gratuity, Pension and Other eligible arrears/receipts. These tables clearly depict formulas and structured calculations, simplifying taxpayer inputs and enabling system-based validation. This brings greater clarity, transparency, and ease of filing.

22. Which Form should I use to claim relief in AY 2026-27 for which return is to be filed by 31st July 2026?

The taxability of income for AY 2026-27 will be governed by the Income Tax Act, 1961, therefore, for claiming any relief under section 89 of the old Act, the assessee will be required to file Form 10E only. The new Form no. 39 shall be applicable only for the relief claimed under the Income Tax act, 2025 and shall be applicable w.e.f. Tax Year 2026-27.

Which Form to Use for Salary Arrears Relief - Form 10E or Form 39?



23. What is the purpose of Form 15CA and Form 15CB under the Income Tax Act, 1961 and what are the corresponding provisions in the Income Tax Act, 2025?

Form 15CA is a declaration by the remitter (person making a payment to a nonresident) for furnishing information regarding the nature of remittance and applicable TDS. Form 15CB is a certificate from a Chartered Accountant certifying the nature of remittance, the applicable DTAA provisions, and the TDS rate. Under the old Act, these were governed by Section 195(6) of the Income Tax Act, 1961.

Under the Income-tax Act, 2025, the corresponding provision are contained in Section 397(3)(d). The corresponding Forms under the new Act are Form No. 145 (equivalent to old Form 15CA) and Form No. 146 (equivalent to old Form No. 15CB).

24. Will Form 15CA/15CB submitted for remittances made before 31st March, 2026 remain valid after the new Act commences?

Yes – Form 15CA/15CB already submitted for remittances made before 31 March 2026 will continue to remain valid even after the new Income-tax Act comes into effect from 1 April 2026, provided the remittance actually took place on or before the date mentioned in the form. Under current practice, these forms are valid up to the proposed date of remittance specified in the filed Form 15CA/15CB. If for any reason the remittance was not completed within that period, the taxpayer would need to file fresh forms again before processing the payment.

25. For remittances made on or after 1st April, 2026, which forms and provisions will apply?

For remittances made on or after 1st April, 2026, the provisions of the Incometax Act, 2025 will apply. The prescribed forms (Form No. 145 and 146) under the Income-tax Rules, 2026 are required to be used. The substantive requirements – furnishing information about the remittance, obtaining CA certificate for amounts exceeding the prescribed threshold, ensuring TDS compliance – remain the same.

26. Are there any changes in the threshold for filing Form 15CA/15CB under the new Act?

The thresholds for filing the information form in Form No. 145 (Form 15CA equivalent) and the CA certificate in Form No. 146 (Form 15CB equivalent) are prescribed under the Rule 220 of Income-tax Rules, 2026. The Income-tax Rules, 2026 retain similar thresholds as under the old Rules.

27. If a remittance is made in April 2026 for a liability accrued in February 2026, then the TDS rates and reporting formats would be governed by which statute (IT ACT 1961 or 2025)?

The procedural requirement (Form 15CA/CB) follows the law in force on the date of remittance (2025 Act). However, the taxability of the underlying income is governed by the Act applicable to the year of accrual (1961 Act).

28. What is the structure of Form 145 under the Income Tax Rules, 2026 and how does it benefit remitters?

The Form No. 145 has four parts:

- (i) Part A – To be filed if remittance is taxable under the Act or aggregate does not exceed Rs. 5 lakh during the year;
- (ii) Part B – To be filed if remittance is taxable under the Act and remittance exceeds Rs. 5 lakh and certificate has been obtained from the Assessing Officer u/s 395(1)/395(2);
- (iii) Part C – To be filed if remittance is taxable under the Act and the remittance exceeds Rs. 5 lakh and a CA certificate (Form No. 146) has been obtained;
- (iv) Part D – To be filed if the remittance is not taxable under the Act {Other than payments referred to in Rule 220(3)}.

Key benefit: Under the New Framework, in Form 145 where Part B is furnished (AO certificate obtained), Part C is NOT required. This eliminates the duplication that existed under the old system.

29. What is the UDIN feature introduced in Form 146?

The UDIN (Unique Document Identification Number) has been introduced for real-time verification through the ICAI API. This ensures authenticity of the CA's certificate and prevents fraud. Only genuine Form 146 submissions are accepted, benefiting both taxpayers and the Department.

30. Is a certificate from a Chartered Accountant (Form 146) still required if the remitter has an AO certificate?

No. Taxpayers filing Part B of Form 145 (with AO certificate) are not required to obtain Form 146 from a Chartered Accountant. This is a significant reduction in compliance burden and cost for remitters.

31. What is the requirement for tax audit under the Income-tax Act, 2025, and has the threshold changed?

Section 63 of the Income-tax Act, 2025 (corresponding to Section 44AB of the old Act) prescribes the requirement of audit of accounts. The thresholds for tax audit remain the same as were in the old Act:

- (i) Business: Total sales, turnover, or gross receipts exceed Rs. 1 crore (Rs. 10 crore where cash transactions do not exceed 5% of total receipts and 5% of total payments);
- (ii) Profession: Gross receipts exceed Rs. 50 lakhs;
- (iii) Persons opting out of presumptive taxation and declaring income below the prescribed threshold.

32. Which form should be used for the tax audit for FY 2025-26 (AY 2026-27)?

For FY 2025-26 (AY 2026-27), the tax audit report must be filed using the existing forms prescribed under the Income-tax Act, 1961 – Form 3CA (for persons audited under another law), Form 3CB (for all others), and Form 3CD (statement of particulars under section 44AB of the 1961 Act). The due date for filing the tax audit report for AY 2026-27 is 30th September, 2026.

33. What form will be used for tax audit for Tax Year 2026-27 under the Income Tax Act, 2025?

For Tax Year 2026-27, the tax audit report must be filed using the Form No. 26 as prescribed under the Income Tax Rules 2026. Form No. 26 merges erstwhile Form No. 3CA, Form 3CB and Form 3CD. The due date for filing the tax audit report for Tax Year 2026-27 shall be 30th September, 2027.

Tax Audit Report Forms-AY 2026-27 vs. Tax Year 2026-27

AY 2026-27 (ITA 1961)	Tax Year 2026-27 (ITA 2025)
Three separate forms: Form 3CA + Form 3CB + Form 3CD	Single unified Form 26-merges all three forms
Section 44AB, ITA 1961	Section 63, ITA 2025
Due date: 30 September 2026	Due date: 30 September 2027
Item-wise disallowance reporting -detailed and fragmented	Single consolidated disclosure -rationalised and ITR-aligned

34. What are the key features of new Form no. 26 (Tax Audit Report) as prescribed under the Income Tax Rules, 2026?

The key features of the new Form no. 26 are summarized as under:

- (i) All three erstwhile audit forms (Form No. 3CA, Form No. 3CB and Form No. 3CD) have been consolidated into a single smart, unified form with structured and standardised reporting.
- (ii) Audit clauses and disclosures have been rationalised and aligned with the ITR framework to ensure consistency between audit report and return of income.
- (iii) Clause relating to disallowable expenditure has been streamlined into a single consolidated disclosure instead of detailed item-wise reporting.
- (iv) Separate Schedules format such as Schedule-Losses, Depreciation and Deductions, Schedule-Prior Period, Schedule- Computation of receipt/income, Schedule- Computation of expenses has been inserted for more transparency.
- (v) Mandatory disclosure of auditor's membership number, firm registration number, and UDIN has been introduced.

Dedicated fields have been introduced for reporting capital receipts and deemed incomes not routed through the Profit & Loss Accounts.

35. Is the provisional approval granted to a charitable institution under the Income Tax Act 1961 valid after 01.04.2026?

As per provisions of sections 536 (2) (j) of the Income Tax Act 2025, any approval given or recognition granted under any provision of the Income Tax Act 1961 shall, so far as it not inconsistent with the corresponding provisions of 2025 Act, shall continue to be in force. Thus, a provisional approval granted to a charitable organisation under the old Act shall not be invalid merely because the new Act commences on 01.04.2026.

36. If a charitable organization wants to apply for provisional registration after 01.04.2026, in which form it should file the application?

All applications freshly filed on or after 01.04.2026 shall be governed by the Income Tax 2025. Therefore, after 01.04.2026, any charitable organisation should file its application in Form No. 104 (corresponding to earlier form No. 10A).

37. What will happen to the registration applications filed during F.Y. 2025-26 and remained pending as on 31.03.2026?

As per the provisions of section 536(2)(e), all such applications shall be disposed of under the provisions of Income Tax Act, 1961. Therefore, there is no need to file fresh application merely because the new Act commences on 01.04.2026.

40. What is the consolidated mapping of the key forms between the old and new Acts?

The following table provides the mapping for some frequently used forms:

Purpose	Forms under Old Act/Rules	Forms under New Act/Rules
PAN application – Indian Individual	Form 49A	Form 93
PAN application – Indian Company/Entity	Form 49A	Form 94
PAN application – Foreign Individual	Form 49AA	Form 95
PAN application – Foreign Entity	Form 49AA	Form 96
TAN application – Government	Form 49B	Form 134
TAN application – Other than government	Form 49B	Form 135
Declaration where PAN not available	Form 60	Form 97
Half-yearly statement of declarations	Form 61	Form 98
Lower/nil withholding certificate	Form 13	Form No.128
Self-declaration for no TDS (below 60 yrs)	Form 15G	Form No.121
Self-declaration for no TDS (60 yrs+)	Form 15H	Form No.121
Relief for salary arrears	Form 10E	Form 39
Foreign remittance information	Form 15CA	Form No.145
CA certificate for foreign remittance	Form 15CB	Form No.146
Tax audit report (audited under other law)	Form 3CA	Form 26
Tax audit report (others)	Form 3CB	Form 26
Statement of particulars (audit)	Form 3CD	Form 26
Provisional registration (Charitable trust)	Form 10A	Form 104

38. What are the key features of new Form No. 104 as prescribed under the Income Tax Rules 2026?

The key features of new Form No. 104 are summarized as under:

(i) The overall Form No. 104 has been substantially simplified and its length significantly reduced.

(ii) Details of assets and liabilities have been removed from the main form and are now required only to be uploaded where the applicant has not filed the return of income.

(iii) Requirement to provide break-up of total income and details of religious expenditure for past three tax years has been completely removed from the form.

39. Will e-filing utilities on the portal support both old and new form versions simultaneously?

Yes. The Government is taking appropriate measures to ensure that the e-filing portal supports both old forms (for AY 2026-27 and earlier) and new forms (for Tax Year 2026-27 onwards) simultaneously during the transition period. Taxpayers should ensure they select the correct year (AY or TY) and the portal will guide them to the appropriate form.

1. Reassessment Of Income Escaping Assessment

A. Reassessment Framework Under The New Act

1. What are the provisions for reopening of assessment (income escaping assessment) under the Income-tax Act, 2025?

The provisions for assessment or reassessment of income which has escaped assessment are contained in Sections 279 to 286 of the Income-tax Act, 2025. These correspond to Sections 147, 148, 148A, 148B, 149, 150, 151, and 153 of the Incometax Act, 1961. The framework has been streamlined and made more structured:



Subject	Old Act Section	New Act Section
Power to assess/reassess escaped income	147	279
Issue of notice for reassessment	148	280
Procedure before issuance of notice (show cause)	148A	281
Time limit for notices	149	282
Assessment in pursuance of appellate/court orders	150	283
Sanction for issue of notice	151	284
Other provisions (rate of tax, dropping of reassessment proceedings)	152	285
Time limit for completion of assessment, reassessment and recomputation	153	286

2. Briefly explain the procedure for issuing reopening notice under the Income Tax Act, 2025.

The procedure for issuing a notice under section 280 of the Income-tax Act, 2025, where income has escaped assessment for the relevant tax year is briefed as under:

- i) Information – The assessing officer must have information suggesting income has escaped assessment.
- ii) Show-cause notice – Before issuing notice u/s 280 of the Act, Assessing officer must provide an opportunity of being heard to the assessee by issuing a showcause notice under section 281(1) of the new Act, providing the information which suggests that income chargeable to tax has escaped assessment and giving an opportunity to respond within the prescribed time.
- iii) Consider reply – AO must consider the assessee’s response
- iv) Reasoned order – Pass an order under section 281(3) with the prior approval of the Additional commissioner or Joint Commissioner, deciding whether it is a fit case for reassessment.
- v) Issue of reopening notice under section 280 of the Act.

Note: Under some situations as provided in Section 281(4) of the Act, the assessing officer is not required to follow the procedure provided in section 281 of the Act.

However, even in such cases, the approval of Additional commissioner or Joint Commissioner is mandatory before notice under section 280 is issued.

3. For the purposes of reopening of assessment under the new Act, what is considered to be ‘information suggesting that income has escaped assessment’?

Section 280(6) of the Act provides that following will be considered to be information suggesting that income has escaped assessment:

- (i) Information identified under the Board’s risk management strategy for the relevant year.
- (ii) Audit objections indicating the assessment was not done as per the Act.
- (iii) Information received under any agreements with the Government of any foreign country or specified territory as referred to section 159 of the Act.
- (iv) Information made available to Assessing Officer under any scheme notified under section 260 of the Act for the purposes of collection of information.
- (v) Information requiring action in consequence of a Tribunal or Court order.
- (vi) Information emanating from surveys conducted under section 253 (except subsection 4).
- (vii) Directions from the Approving Panel under section 274(6).

(viii) Findings or directions contained in an order passed by any authority, Tribunal, or Court in proceedings under the Income Tax Act, 2025 or by a Court in any proceedings under any other law.

4. Can the AO make any assessment, reassessment or recomputation without issuing a notice to the assessee under section 280 of the new Act?

No, the AO shall not make any assessment, reassessment or recomputation under section 279 without issuing a notice under section 280 which is corresponding to section 148 of the Income Tax Act, 1961.

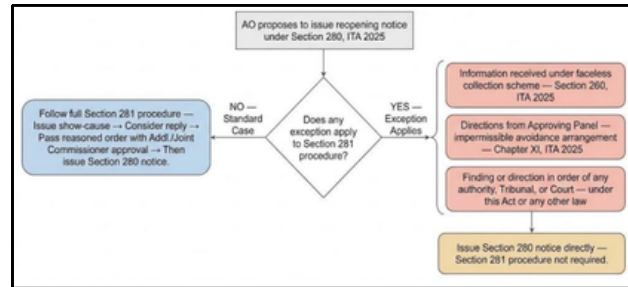
5. In which specific circumstances the Assessing Officer is not required to follow the procedure under section 281, before issuing a notice under section 280 of the new Act?

As per the provisions of the new Act, generally, the AO shall complete the procedure laid down in section 281 and he shall issue notice under section 280 along with the order under section 281(3). However, the AO shall skip the procedure laid down in section 281 in the cases where the AO has received:

- (i) information under the scheme for faceless collection of information as notified under section 260 of the new Act;
- (ii) directions issued by the Approving Panel in respect of the declaration of the arrangement as an impermissible avoidance arrangement as per the provisions of Chapter XI, specifying the tax year or years to which such declaration of an arrangement as an impermissible avoidance arrangement shall apply, under section 274(6);

(iii) any finding or direction contained in an order passed by any authority, Tribunal or court in any proceeding under this Act by way of appeal, reference or revision, or by a Court in any proceeding under any other law.

When Can the AO Skip Section 281 Procedure? – Exceptions to Standard Reopening Process



6. For which tax years will the reassessment provisions of the new Act apply?

The reassessment provisions of the Income-tax Act, 2025 (Sections 279–286) will apply to Tax Year 2026–27 and subsequent tax years. For any tax year beginning before 1st April, 2026, only the old Act provisions will apply for reassessment.

7. What are the time limits under the old Act for issuing reassessment notices for earlier years?

Under Section 149 of the Income-tax Act, 1961 (as applicable after the amendment vide the Finance Act, 2025):

Time Limit from end of AY	Condition	Monetary threshold
Issuing notice under Section 148A : (as amended w.e.f. 01-09- 2024)	If the escaped assessment amounts to or likely to amounts to –	
	(i) less than Rs. 50,00,000	Within 3 years from end of relevant assessment year
	(ii) Rs. 50,00,000 or more	Within 5 years from end of relevant assessment year
Issuing notice under Section 148: (as amended w.e.f. 01-09- 2024)	If the escaped assessment amounts to or likely to amounts to –	
	(i) less than Rs. 50,00,000	Within 3 years and 3 months from end of relevant assessment year
	(ii) Rs. 50,00,000 or more	Within 5 years and 3 months from end of relevant assessment year

8. What are the time limits for issuing reassessment notices under the Income Tax Act, 2025?

Section 282 of the Income-tax Act, 2025 prescribes the following time limits:

Notice Type	General Time Limit	Extended Time Limit (if the income which has escaped assessment is likely to be Rs. 50 lakh or more)
Notice u/s 281 (show cause notice)	4 years from end of Tax Year	6 years from end of Tax Year
Notice u/s 280 (reassessment notice)	4 years and 3 months from end of Tax Year	6 years and 3 months from end of Tax Year

Additionally, Section 282(3) provides that no notice under Section 280 or 281 shall be issued within one year from the end of any tax year.

Time Limits for Reassessment Notices - ITA 1961 vs. ITA 2025

Notice Type	Condition	ITA 1961 — Section 149 Time Limit	ITA 2025 — Section 282 Time Limit
Show-cause / Pre-notice (148A / Section 281)	Escaped income < ₹50 lakhs	Within 3 years from end of AY	Within 4 years from end of Tax Year
Show-cause / Pre-notice (148A / Section 281)	Escaped income > ₹50 lakhs	Within 5 years from end of AY	Within 6 years from end of Tax Year
Reassessment notice (Section 148 / Section 280)	Escaped income < ₹50 lakhs	Within 3 years 3 months from end of AY	Within 4 years 3 months from end of Tax Year
Reassessment notice (Section 148 / Section 280)	Escaped income > ₹50 lakhs	Within 5 years 3 months from end of AY	Within 6 years 3 months from end of Tax Year

9. What is the time limit for completion of reassessment under the Income Tax Act, 2025?

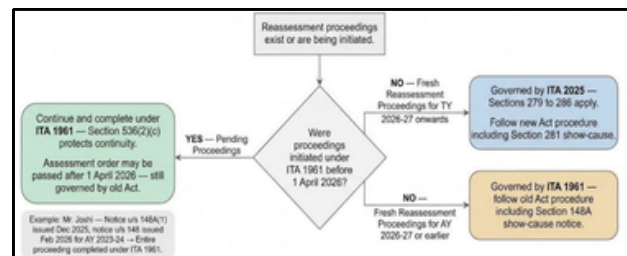
Section 286(1) [Table: Sl. No. 4] provides that the reassessment order under Section 279 must be passed within one year from the end of the financial year in which the notice under Section 280 was served. Various extensions and exclusions are provided for specific situations (e.g., transfer pricing references, ITAT/court stay orders, etc).

Example: The Assessing Officer issued a notice under Section 148A(1) of the old Act to Mr. X for AY 2023-24 in December 2025 and subsequently issued a notice under Section 148 in February 2026. The reassessment will be completed under the old Act, even though the assessment order may be passed after 01.04.2026.

Governing Act for Reassessment Proceedings - Pending vs. Fresh as on 1 April 2026

B. Transition — Reassessment Of Assessment Years Governed By The Old Act

10. If reassessment proceedings for an earlier assessment year were initiated under Section 147/148 of the old Act and are pending as on 01.04.2026, will they continue under the old Act?



Yes. Section 536(2)(c) of the Income-tax Act, 2025 expressly provides that the provisions of the repealed Act shall continue to apply to any proceeding pending on the date of commencement of the new Act. Therefore, reassessment proceedings already initiated under the old Act will continue to be governed by the provisions of the Income Tax act, 1961.

11. After 01.04.2026, can the Income-tax Department initiate fresh reassessment proceedings for earlier assessment years (such as AY 2022-23 or AY 2024-25) under the old Act?

Yes, even after 1 April 2026, proceedings such as assessment, reassessment, rectification, penalty, revision, etc. can still be initiated and completed under the old Act for earlier Assessment Years till A.Y.2026-27.

For example, in FY 2027-28, the department can reopen an assessment for AY 2023-24 under the old Act, if the conditions regarding reopening as prescribed in the Income Tax Act, 1961 are met.

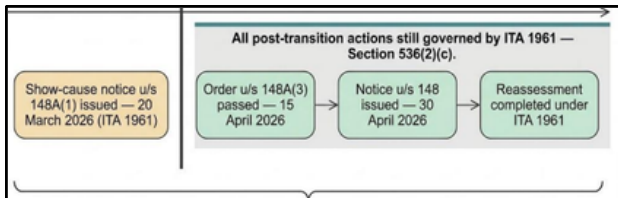
12. If a notice under Section 148A (1) of the old Act was issued before 01.04.2026, but the notice under Section 148 is yet to be issued, can it be issued after 01.04.2026?

Yes. Section 536(2)(c) of the Income-tax Act, 2025 expressly provides that the provisions of the repealed Act shall continue to apply to any proceeding pending on the date of commencement of the new Act. Since the proceedings were initiated under the Income-tax Act, 1961 through issuance of a notice under section 148A (1), the entire sequence of consequential actions – including the order under section 148A (3) and notice under section 148 – shall be governed by the provisions of the 1961 Act. However, such continuation is subject to compliance with the limitation period prescribed under section 149 of the Income Tax Act, 1961.

Example: The AO issued a show cause notice under Section 148A(1) to a taxpayer for AY 2022-23 on 20th March, 2026. After considering his response, the AO passes an order under Section 148A (3) on 15th April, 2026 and issues the notice under section 148 of the old Act on 30th April, 2026. All these actions are valid even though the new Act commences on 1st April, 2026.

Section 148A(1) Notice Issued Before 1 April 2026
-Entire Sequence Governed by ITA 1961

1 April 2026-ITA 2025 Commences



13. After the new Act comes into force on 01.04.2026, whose approval will be required to issue reassessment notices for AY 2026-27 or any earlier assessment year?

Since the assessment proceedings for AY 2026-27 or for any earlier assessment year are governed by the old Act, the approval hierarchy prescribed in Section 151 of the old Act will apply and therefore, Additional Commissioner, Additional Director, Joint Commissioner or Joint Director is the specified authority for the purposes of section 148 and 148A of the Income Tax Act, 1961.

14. If a reassessment notice under Section 148 of the old Act was issued for AY 2022-23 in February 2026, and the assessee has not yet furnished the return in response, can the return be filed after 01.04.2026?

Yes. Since the entire reassessment proceeding is governed by the old Act (as per Section 536(2)(c)), the assessee must furnish the return in response to the Section 148 notice under the old Act's framework, within the time specified in the notice, not exceeding three months from the end of the month in which notice under section 148 is issued.

The form in which ITR is to be filed will be corresponding to the Income Tax Act, 1961.

15. Can the Assessing Officer simultaneously conduct reassessment for AY 2024-25 (under the old Act) and assessment for Tax Year 2026-27 (under the new Act) for the same assessee?

Yes. These are independent proceedings under two different Acts for two different income periods. The Department can run parallel proceedings where necessary. The old Act will govern the reassessment proceedings for AY 2024-25 while the new Act will govern the assessment proceedings for TY 2026-27.

16. Which Act will govern the penalty proceedings relating to any tax year beginning before 1st April, 2026?

Section 536(2)(d) expressly provides that any proceeding for imposition of penalty for any tax year beginning before 1st April, 2026 may be initiated and the penalty imposed under the old Act, as if the new Act had not been enacted. Therefore, penalties arising from reassessment of earlier years will follow the framework for penalties as provided in the Income Tax Act, 1961.



2. Tds Compliance (By Deductor & By Deductee)

A. Obligation To Deduct – Transition

1. What is the fundamental rule for determining which Act governs TDS obligations during the transition?

The Act governing TDS depends on when the “earlier of the event of credit or payment” occurs. If the earlier event occurs on or before 31st March, 2026, the Incometax Act, 1961 will be applicable. However, if the earlier event occurs on or after 1st April, 2026, the provisions of the Income-tax Act, 2025 shall be applicable.

Example: Professional fees credited in March, 2026 in books. However, payment is made in April, 2026. In this situation, provisions of the Income-Tax Act, 1961 will be applicable and TDS must be deducted in March, 2026.

Advance payment made in March, 2026. However, it is credited in books in April, 2026. In this situation, provisions of the Income-tax Act, 1961 will be applicable and TDS must be deducted in March, 2026.

2. If a deductor has an ongoing contract with monthly payments, how does the deductor handle the switch from the old Act to the new Act?

The deductor applies the old Act for all payments/credits up to and including 31st March, 2026, and will apply the new Act for payments/credits from 1st April, 2026 onwards. There is no need to amend the contract merely because the new Act is commencing on 1st April, 2026. The deductor is required to apply the applicable TDS provision based on the date of credit or payment, whichever is earlier.

Example: M/s. XYZ Ltd. has a monthly housekeeping contract with M/s. ABC Cleaning Services. Payments for March 2026 (credited on 31.03.2026) → TDS obligation shall be under Section 194C of old Act. Payment for April 2026 (credited on 30.04.2026) → TDS obligations shall be under Section 393(1) [Table: Sl. No. 6(i)] of the new Act. Rates and thresholds remain the same under both the Acts.

3. Has there been any change in the rates of TDS under the new Act?

No. The TDS rates and monetary thresholds for all categories of payments have been retained as they are under the Income-tax Act, 1961. The consolidation of TDS provisions under Section 393 is a simplified tabular presentation and not a change in TDS rates or tax policy.

4. What happens if a deductor erroneously deducts TDS quoting the old Act section number for a payment made after 01.04.2026?

Although the substantive provisions—such as the applicable rate and threshold—remain unchanged, citing the old section number (for example, Section 194C instead of Section 393(1) [Table: Sl. No. 6(i)]) may lead to processing errors at the time of filing the TDS return. In such cases, the deductor may be required to submit a correction statement to rectify the section reference.

5. A company makes payment to a contractor on 28 March 2026. Which Act governs TDS in this situation?

The TDS provisions of the Income-tax Act, 1961 shall apply, since the triggering event—being the payment or credit of income, whichever is earlier—occurred prior to 1 April 2026. The commencement of the Income-tax Act, 2025 does not affect liabilities or obligations that arose under the 1961 Act in respect of tax years beginning before 1st April, 2026.

6. Interest income is credited in the account of payee on 31 March 2026 but paid in April 2026. Which Act will govern the TDS on such interest payments?

The TDS provisions of the Income-tax Act, 1961 shall apply, since the triggering event—being the payment or credit of income, whichever is earlier—occurred prior to 1 April 2026. The subsequent date of deposit of TDS or payment of interest does not alter the governing law once the triggering event has occurred.

7. Are tax deductors required to modify their ERP and payroll systems after commencement of Income Tax Act, 2025?

Yes. Systems are required to be updated to reflect new section numbering, terminology, and reporting requirements under the Income Tax Act, 2025.

B. Deposit Of Tds – Timelines And Compliance

8. What are the due dates for depositing TDS with the Government during the transition year i.e. FY 2026-27?

The due dates for depositing the TDS for non-government deductors remain the same under both the Acts. For the transition phase, the due dates for depositing TDS are tabulated as under:

Period of Deduction of Tax at Source	Source Due Date for Deposit	Governed By
January 2026 to February 2026	7 th of next month	IT Act, 1961 (Rule 30)
March 2026	30 th April, 2026	IT Act, 1961 (Rule 30)
April 2026 onwards	7 th of next month	IT Act, 2025 (Rule 218 of Income-tax Rules, 2026)

The due dates for depositing the TDS for Government deductors remain the same under both the Acts. For the transition phase, the due dates for depositing TDS are tabulated as unde

Period of Deduction of Tax at Source	Source Due Date for Deposit		Governed By
	With Challan	Without challan	
January 2026 to February 2026	7 th of next month	Same Day	IT Act, 1961 (Rule 30)
March 2026	7 th April, 2026	Same Day	IT Act, 1961 (Rule 30)
April 2026 onwards	7 th of next month	Same Day	IT Act, 2025 (Rule 218 of Income-tax Rules, 2026)

For Challan-cum-TDS statement (Form 26QB /26QC /26QD/ 26QE under the old Act), the due date of depositing TDS is 30 days from end of month in which TDS was made. These due dates for depositing TDS remain same in the new Act.

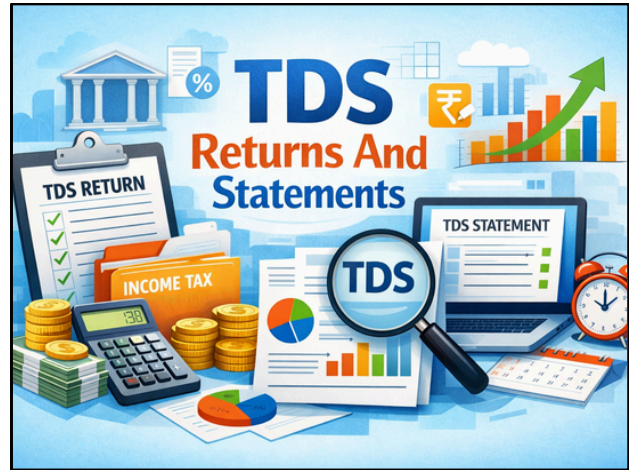
9. If tax was deducted in March 2026 but the deposit is made in May 2026, will there be a late deposit consequence?

Yes. The due date for depositing the tax deducted in the month of March 2026 is 30th April, 2026. In this situation, the TDS is deposited in May 2026 and this delay will attract interest liability @ 1.5% per month from the date of deduction to the date of actual payment.

C. Tds Returns And Statements

10. Which TDS returns must be filed during the transition year, and under which Act?

During FY 2026-27, a deductor may need to file TDS returns under both the Acts:



Quarter	Period of TDS	Governed By	Form	Due Date of filing of TDS Return
Q4 of FY 2025- 26	Jan-Mar 2026	IT Act, 1961	24Q/26Q/27Q/27EQ	31 st May, 2026
Q1 of TY 2026- 27	Apr-Jun 2026	IT Act, 2025	New Forms under IT Rules, 2026 Salary TDS Return in Form 138 (in place of Form 24Q under the old Act) Non-Salary TDS Return in Form 140 (in place of Form 26Q under the old Act) Non-Resident TDS Return in Form 144 (in place of Form 27Q under the old Act) TCS Return in Form 143 (in place of Form 27EQ under the old Act)	31 st July, 2026
Q2 of TY 2026- 27	Jul-Sep 2026	IT Act, 2025	New Forms under IT Rules, 2026	31 st October, 2026

Note: Correction statements for Q1-Q4 of FY 2025-26 (or earlier) must be filed under the framework of Income Tax Act, 1961.

11. What is the Challan-cum-TDS statement mechanism and how does it operate during the transition?

Under the old Act, certain specified transactions required the deductor to file a TDS-cum-Challan statement (Forms 26QB, 26QC, 26QD, and 26QE) instead of the regular quarterly TDS return. These apply to:

- (i) Form 26QB – TDS on purchase of immovable property (Section 194-IA);
- (ii) Form 26QC – TDS on rent by individual/HUF (Section 194-IB);
- (iii) Form 26QD – TDS on payments by individuals/HUFs to contractors and professionals (Section 194M);
- (iv) Form 26QE – TDS on transfer of virtual digital assets (Section 194S).

For transactions where the event of credit or payment occurred on or before 31st March, 2026, these Forms under the old Act continue to apply.

For transactions where the event of credit or payment occurred on or after 1st April, 2026, the Challan-cum-TDS statement is required to be filed under the new Act. As per Income Tax Rules, 2026 a common form i.e. Form No. 141 can be used for any of the above four type of transactions.

12. Will the e-TDS/TCS return preparation utility (RPU) support both old and new formats?

Yes. The Government will ensure that the return preparation utilities and the TRACES portal support both old format returns (for periods up to March 2026) and new format returns (for periods from April 2026 onwards) during the transition period.

13. If a deductor discovers an error in a TDS return for Q3 of FY 2025-26 (October-December 2025), can a correction be filed after 01.04.2026?

Yes. Corrections to TDS returns for periods governed by the old Act can be filed even after the new Act has come into force.

Such correction statements can be furnished within a period of two years from the end of the tax year in which the original statement was due.

14. Will revised or correction TDS returns for periods prior to 31.03.2026 be filed under the old or new Act?

Revised or correction TDS returns relating to periods governed by the Incometax Act, 1961 must continue to be filed under the old Act framework, even if such revision is made after 1st April, 2026.

The form numbers and formats applicable to the old Act will apply for such corrections.

D. Issuance Of Tds Certificates

15. What are the obligations of a tax deductor regarding issuance of TDS certificates during the transition year?

The obligations of TDS deductors to issue certificates during the transition phase, are tabulated as under:

Description	For Period	Governed By	Form No.	Due Date
TDS on Salary	FY 2025-26	IT Act, 1961	Form 16 under the old Act	15 th June, 2026
TDS on payments other than Salary	Jan-Mar 2026	IT Act, 1961	Form 16A under the old Act	15 th June, 2026 (15 days from due date of TDS return)
TDS on Salary	TY 2026-27	IT Act, 2025	Form No. 130 under the new Act	15 th June, 2027
TDS on payments other than Salary	Apr-Jun 2026	IT Act, 2025	Form No. 131 under the new Act	15 th August, 2026

16. If a deductor fails to issue Form 16A for Q4 of FY 2025-26 within the due date, which Act governs the penalty?

The penalty for failure to issue certificates for FY 2025-26 is governed by the Income-tax Act, 1961. Under Section 272A(2)(g) of the old Act, a penalty of Rs. 500 per day for the period of default can be levied. Since this relates to a compliance for a period covered by the old Act, the penalty provisions under the old Act shall apply.

E. Assessee-in-default – Deductor’s Liability

17. What happens if a deductor fails to deduct TDS on a payment or credit made before 31.03.2026?

The deductor is treated as an “assessee in default” under Section 201(1) of the old Act. The consequences include:

- (i) Recovery of the TDS amount from the deductor;
- (ii) Interest at 1% per month for failure to deduct (from date deductible to date of deduction) and 1.5% per month for failure to deposit (from date of deduction to date of actual payment);
- (iii) Penalty under Section 271C of the old Act (equal to the amount of tax not deducted);

These proceedings can be initiated even after 01.04.2026 by virtue of Section 536(2)(c) and (d) of the Income Tax act, 2025.

18. Is there any change in the time-limits for passing an order deeming the deductor as assessee-in-default under the new Act?

No. The time-limit for passing an order deeming the deductor as assessee-in-default under the new Act remains same as provided in the old Act. Under Section 398(5) of the Income-tax Act, 2025, such order shall not be made after the later of:

- (i) six years from the end of the tax year in which tax was deductible or collectible; or

- (ii) two years from the end of the tax year in which the correction statement is delivered.

19. Where the deductor has not deducted the tax and if the deductee has paid tax directly on the income, is the deductor still liable?

Under Section 398(2) of the new Act (corresponding to the proviso to Section 201(1) of the old Act), the deductor shall not be deemed to be an assessee-in-default if the deductee has furnished a return of income, considered the amount on which tax was deductible while computing the income, and paid the tax due thereon subject to furnishing a certificate to this effect in the prescribed form (Form 26A). However, the deductor remains liable for interest for the period of delay. This provision is same under both the Acts.

20. If tax is not deducted or not deposited by the due date, what is the consequence for the deductor under the new Act?

There will be multiple consequences for not deducting the tax or not depositing the TDS by the due date. The deductor may be treated as an “assessee in default” which may lead to the recovery of the TDS amount along-with interest from the deductor. The deductor may also be liable for penalty in the cases of non-deduction of TDS and for prosecution proceedings in cases of deduction but non -deposition within due date. Besides above, as per Section 35(b) of the Income-tax Act, 2025 (corresponding to Section 40(a)(ia) of the old Act), 30% of any sum payable to a resident on which tax was deductible but not deducted or not deposited by the due date of filing the return, shall be disallowed while computing business income

Example: M/s. ABC Traders pays Rs. 5 lakhs as professional fees in Tax Year 2026- 27 but does not deduct tax.

In computing business income for TY 2026-27, Rs. 1.5 lakhs (30% of Rs. 5 lakhs) will be disallowed under Section 35(b).

21. What is the position for TCS compliance during the transition period?

The provisions relating to Tax Collected at Source (TCS) have been consolidated under Section 394 of the Income-tax Act, 2025. The same transition principles—such as the trigger for debit/receipt shall apply equally to TCS.

Accordingly, for amounts debited or received on or before 31 March 2026 TCS provisions shall continue to be governed by the provisions of the erstwhile Act. Similarly, for amounts debited or received on or after 1 April 2026 TCS provisions shall be governed by Section 394 of the Income-tax Act, 2025.

F. Tds On Salary – Specific Transition Issues

22. An employer pays salary for the month of March 2026 on 31 March 2026, and salary for the month of April 2026 on 30 April 2026. Considering the transition from the Income-tax Act, 1961 to the Income-tax Act, 2025, how should tax be deducted at source (TDS) on these salary payments?

Under the TDS provisions relating to salary, tax is required to be deducted at the time of payment. Thus, TDS on salary shall be governed by different Acts, based on the date of payment of salary, as explained below:

- Salary for March 2026 paid on 31 March 2026 will be governed by the Incometax Act, 1961, since the payment was made before the new Act came into force.
- Salary for April 2026 paid on 30 April 2026 will be governed by the Income-tax Act, 2025, as the payment was made on or after 1 April 2026.

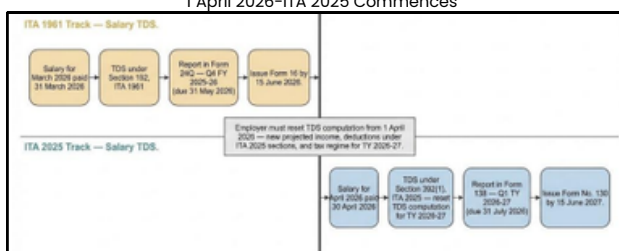
23. How should employers handle TDS on salary during the transition from FY 2025-26 to Tax Year 2026-27?

Employers must handle salary TDS as follows:

- (i) For salary pertaining to FY 2025-26 (paid up to March 2026): TDS obligations shall be in accordance to Section 192 of the old Act;
- (ii) For salary pertaining to Tax Year 2026-27 (paid from April 2026 onwards): TDS obligations shall be in accordance to Section 392(1) of the new Act;
- (iii) The employer must reset the TDS computation from 1st April, 2026 for the new tax year, considering projected income, deductions, and tax regime for TY 2026-27.

Salary TDS Across the March-April 2026 Transition - Employer Obligations

1 April 2026-ITA 2025 Commences



24. If an employee submits an investment declaration for TY 2026-27, should it reference old Act or new Act provisions?

The investment declaration for Tax Year 2026-27 should reference the provisions of the Income-tax Act, 2025. For instance, deductions under Section 80C of the old Act will now be referenced as the Schedule XV read with section 123 of the Income Tax Act, 2025. The employer's payroll system should be updated to reflect the new section numbering from April 2026.

G. Claiming Tds Credit

25. How will a deductee claim credit for tax deducted under the old Act in the return for AY 2026-27?

Tax deducted on income pertaining to FY 2025-26 will be reflected in Annual Information Statement (AIS) for AY 2026-27. The deductee will claim this credit in the return of income for AY 2026-27 filed under the old Act. The old section numbers will appear in AIS for the period up to March 2026.

26. If tax was deducted in March 2026 under the old Act but deposited by the deductor after 01.04.2026, will the deductee still get credit?

Yes. The TDS credit is linked to the year in which the income is assessable, not the date of TDS deposit. Even if the deductor deposits the TDS after 1st April 2026, the credit will be reflected against AY 2026-27 in AIS, provided the deductor correctly files the TDS return for Q4 of FY 2025-26.

27. How will TDS credit be handled where tax was deducted in both March 2026 (old Act) and April 2026 (new Act)?

The credits will be mapped to different assessment periods

- (i) Tax deducted in March 2026 → Credit in AY 2026-27 (covered by I.T. Act, 1961);
- (ii) Tax deducted in April 2026 → Credit in Tax Year 2026-27 (covered by I.T. Act, 2025).

The e-filing system and Annual Information Statement (AIS for AY 2026-27 and Form No. 168 for TY 2026-27) will automatically segregate the credits based on the TDS return filed by the deductor.

28. Will there be two separate AIS statements – one for AY 2026-27 and another for Tax Year 2026-27?

Yes. The Annual Information Statement will be generated separately for each assessment/tax year. The statement for AY 2026-27 will be in AIS and will reflect TDS/TCS along-with other information relating to FY 2025-26 under the old Act. However, the Annual Information Statement for Tax Year 2026-27 will be in Form No. 168 and will reflect information for FY 2026-27 under the new Act. Both the statements will be accessible on e-filing portal.

29. What should a deductee do if there is a mismatch between TDS claimed and AIS for the transition period?

During the transition, mismatches may arise due to the deductor quoting of section numbers corresponding to the old Act instead of quoting the sections of the new Act, or selecting the wrong AY/TY on the challan or in the TDS return. An early reconciliation is advisable at the end of the deductees.

If there is a mismatch in TDS, the deductee should immediately inform the employer / deductor responsible for deducting tax. The employer / deductor needs to file a revised TDS return to rectify the mismatch.



3. Appeals, Revisions And Alternate Dispute Resolutions

A. Transitional Issues Regarding Appeals

1. What are the key provisions contained in the Chapter on Appeals, Revision and Dispute Resolution Committee (DRC) under the Income-tax Act, 2025?

The Chapter on Appeals, Revision and Alternate Dispute Resolution under the Income-tax Act, 2025 comprehensively consolidates the entire remedial framework of the Act.

It covers first appeals before the Joint Commissioner (Appeals) and Commissioner (Appeals) (Sections 356-360), appeals to the Appellate Tribunal (Sections 361-364), further appeals to the High Court and Supreme Court (Sections 365-368), and general provisions relating to limitation, monetary limits and effect of appeals.

It also incorporates revisionary powers of the Competent Authority (Sections 377-378), the Dispute Resolution Committee mechanism (Section 379), the Advance Ruling framework (Board for Advance Rulings), and the structured mechanism for avoiding repetitive litigation through Sections 375 and 376.

2. Is there any change in appellate hierarchy under Income-tax Act, 2025 vis-avis Income-tax Act, 1961? Is there any change in the powers of the appellate authorities or the procedure for deciding the appeal?

No, there is no structural change in the appellate hierarchy under the Income-tax Act, 2025. The architecture of appellate remedies remains intact and continues in the same sequential manner:

Assessing Officer → JCIT(A)/CIT(A) → ITAT → High Court → Supreme Court

The powers of appellate authorities – including power to confirm, reduce, enhance or annul assessment, admit additional grounds, call for remand report, rectify mistakes, grant stay subject to conditions, etc. has remain materially unchanged. The procedural framework also remains unchanged.

3. Is there any change in the limitation period for filing appeal in the new Income-tax Act, 2025 vis a vis the Income-tax Act, 1961?

The limitation period for filing appeal in Income-tax Act, 2025 as against Incometax Act, 1961 has remains unchanged.

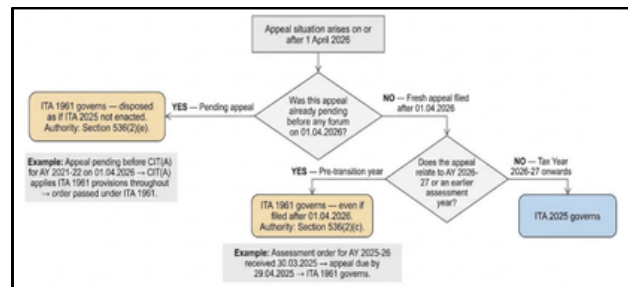
4. If an appeal is pending before the CIT(A) as on 01.04.2026, will it be decided under the Income-tax Act, 1961 or the Income-tax Act, 2025? Do I need to file a new appeal?

Section 536(2)(e) of the new Act expressly states that any proceeding pending before any income-tax authority, Appellate Tribunal or Court shall continue and be disposed of as if this Act had not been enacted. Accordingly, the pending appeal shall continue and be disposed of in accordance with the provisions of the Income-tax Act, 1961. No new appeal needs to be filed.

5. If an appeal is filed after 1 April 2026 in respect of Assessment Year 2026- 27 or any earlier assessment year, will it be governed by the Income-tax Act, 1961 or the Income-tax Act, 2025?

Section 536(2)(c) provides that proceedings initiated on or after 1 April 2026 in respect of a tax year beginning before 1 April 2026 shall be carried out in accordance with the provisions of the repealed Act. Accordingly, even if an appeal is filed after the commencement of the Income-tax Act, 2025, where it relates to Assessment Year 2026-27 or any earlier assessment year, such appeal shall be governed by and disposed of under the provisions of the Income-tax Act, 1961.

Which Act Governs an Appeal - Pending vs. Fresh - Post 1 April 2026?



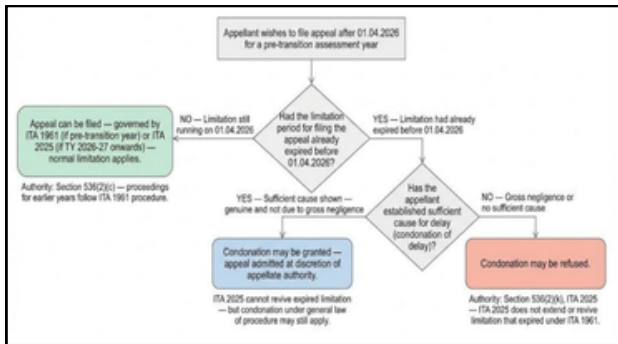
6. Can expired limitation for filing an appeal under the Income-tax Act, 1961 be revived under the Income-tax Act, 2025?

No. Section 536(2)(k) of the Income-tax Act, 2025 expressly provides that where the time for filing an appeal, revision, or reference had already expired before the commencement of the new Act,

such right cannot be revived merely because the new Act prescribes a different or extended limitation period.

However, the procedural remedy of condonation of delay may still be available under the old Act where the appellant establishes that, despite due diligence, the appeal could not be filed within time. If the delay is attributable to gross negligence or no sufficient cause is shown, the application for condonation is liable to be rejected.

Revival of Expired Limitation for Filing Appeal - Can ITA 2025 Reopen a Closed Window?



7. If rectification of an appellate order passed for Assessment Year 2024–25 by the Commissioner (Appeals) is sought after 1 April 2026, under which Act will such rectification be governed?

Rectification will lie under the corresponding provision of the Income-tax Act, 1961. Rectification is a continuation of the original appellate proceeding. By virtue of section 536(2)(c) and (e), proceedings relating to a tax year beginning before 01.04.2026 must continue under the Income-tax Act, 1961 framework, including rectification and limitation.

8. If an appeal for AY 2025–26 is pending as on 01.04.2026, can such appeal be transferred from JCIT(A) to CIT(A) or vice versa?

Yes. Such appeals can be transferred from JCIT(A) to CIT(A) or vice versa, as provided under section 246(2) and 246(3) of the Income Tax Act, 1961. The corresponding provisions in the new Act are section 356(3)(a) and section 356(3)(b).

9. If a case is remanded back by ITAT on or after 01.04.2026 for AY 2023–24, the remand proceedings will be governed by Income-tax Act, 1961 or Income-tax Act, 2025?

. If the ITAT remands a case on or after 01.04.2026 in respect of AY 2023–24, the remand proceedings will continue to be governed by the Income-tax Act, 1961. Section 536(2)(c) and (e) of the Income-tax Act, 2025 expressly provide that proceedings relating to tax years beginning before 01.04.2026 shall be continued and disposed of under the repealed Act as if the new Act had not been enacted. A remand by the ITAT is only a continuation of the original assessment proceedings and does not create a fresh cause under the new law. Therefore, the Assessing Officer must pass the order giving effect, strictly in accordance with the procedural and substantive provisions of the Income-tax Act, 1961.

10. In respect of AY 2024–25, which Act would govern the filing of an appeal against an assessment order received on 30.03.2025, and what would be the applicable limitation period?

As the assessment order pertains for Assessment Year 2024–25, the appeal would be governed by the Income-tax Act, 1961 and can be filed even after the commencement of the new Act. The appeal must be filed within the limitation period prescribed under the 1961 Act i.e. 30 days from the date of receipt of the order.

11. What happens to appeals that are pending before Courts, Tribunal or Commissioner (Appeals) when the new Act comes into force?

Such appeals continue under the old Act and shall be disposed in accordance with the provisions of the old Act. For instance, if a taxpayer has an appeal pending before the Income Tax Appellate Tribunal regarding AY 2021–22, that appeal will be decided by applying the provisions of the old Act and not the new Act.

B. Provisions For Avoiding Repetitive Appeals

12. What were the statutory mechanisms under the Income-tax Act, 1961 for avoiding repetitive appeals on identical questions of law, and how have they been reorganised under the Income-tax Act, 2025?

Under the Income-tax Act, 1961, avoidance of repetitive litigation was governed by two separate provisions, namely section 158A and section 158AB. Section 158A provided an assessee-driven mechanism whereby the assessee could declare that an identical question of law was pending before the High Court or Supreme Court and agree to abide by its final decision. Section 158AB, on the other hand, enabled a departmental collegium to defer filing of appeal where the same question of law was already pending before a high court or Supreme Court. Under the Income-tax Act, 2025, these two mechanisms have been reorganised as sections 375 and 376 respectively, thereby streamlining but not altering the earlier framework.

13. Has the trigger condition for invoking the mechanism changed under the Income-tax Act, 2025 as compared to the Income-tax Act, 1961?

No, the essential trigger condition remains the same under both enactments. Under sections 158A and 158AB of the Income Tax Act, 1961, the mechanism could be invoked only where an identical question of law arose in the case and the same question was pending before the High Court or the Supreme Court. Sections 375 and 376 of the Income-tax Act, 2025 retain this foundational requirement of identity of the legal issue and its pendency before a higher judicial forum i.e. High Court and Supreme Court. The Income-tax Act, 2025 further provides that such pendency may relate to proceedings under either the Income Tax Act, 1961 or the Income Tax Act, 2025, thereby ensuring continuity across the statutory transition.

14. At what stage could sections 158A & 158AB be invoked under the Incometax Act, 1961, and has the stage of operation changed under the Income-tax Act, 2025?

Under the Income-tax Act, 1961, section 158A could be invoked during assessment or appellate proceedings when the matter was pending before the Assessing Officer or appellate authority, whereas section 158AB operated at the stage of deciding whether the Department should file a further appeal against an order of the Commissioner (Appeals) or the Tribunal. The Income-tax Act, 2025 maintains an identical structural position by providing in section 375 an assessee-driven mechanism applicable at the assessment or appellate stage, and in section 376 a collegium-based mechanism applicable at the stage of filing further appeal. Thus, the stages of invocation remain consistent with the earlier law.

15. Is assessee acceptance required under both Acts for deferrment of appeal?

Yes, the principle of assessee acceptance continues under both enactments. Under section 158A of the Income Tax Act, 1961, the mechanism itself was based on a declaration by the assessee agreeing to abide by the final decision on the identical question of law, and section 158AB also required acceptance of the identity of the question before deferral of appeal. Similarly, under the Income-tax Act, 2025, section 375 is founded on an assessee's declaration, and section 376 requires concurrence regarding the identity of the legal issue before appeal is deferred. Therefore, there is no substantive change in this respect.

C. Dispute Resolution Committee And Advance Ruling

16. Has the Dispute Resolution Committee (DRC) framework been substantially changed under the Income-tax Act, 2025?

No substantive structural change has been made in the Dispute Resolution Committee (DRC) framework. Section 379 of the Income Tax Act 2025 substantially reenacts Section 245MA of the Income-tax Act, 1961. The objective, eligibility criteria, monetary thresholds (variation lower than Rs 10 lakh; returned income lower than Rs 50 lakh), and power to grant penalty waiver and prosecution immunity remain materially the same. The categories of excluded persons also remain the same. The changes are primarily in placement, drafting clarity, and section renumbering.

17. What are the powers of the Dispute Resolution Committee (DRC) under the Income Tax Act 2025?

Under Section 379(2) of the Income-tax Act, 2025, it is expressly stated that the DRC may make modifications to the variations in the specified order, apart from granting penalty waiver or prosecution immunity. This clarifies DRC authority to modify tax variations in the specified order.

18. Do the DRC provisions operate differently during the transition period post 01.04.2026?

No. The Dispute Resolution Committee (DRC) provisions do not operate differently merely because of the transition after 01.04.2026. By virtue of the savings and transitional provisions of the Income-tax Act, 2025, proceedings relating to tax years prior to its commencement continue to be governed by the Income-tax Act, 1961. Accordingly, the availability and applicability of the DRC mechanism would depend on the Act governing the relevant tax year, and the transition does not create an independent or expanded right to invoke the DRC under the 2025 Act for matters preserved under the 1961 Act.

19. Where the Income Tax Act, 1961 and Income Tax, Act 2025 defines "specified order" to include a draft assessment order, can an assessee choose between Dispute Resolution Panel (DRP) and Dispute Resolution Committee (DRC)?

Yes – in principle, both mechanisms are available because a draft order under section 144C of the 1961 Act (section 275(1) of the 2025 Act) falls within the definition of a "specified order" for DRC purposes. However, the availability of DRC is subject to statutory eligibility conditions (such as monetary thresholds, nature of variation, absence of serious offences, etc.). Thus, while the definition permits overlap at the threshold stage, the two remedies are alternative and not concurrent, and the assessee cannot pursue both simultaneously.

20. Has the Income-tax Act, 2025 introduced any substantive or procedural change in the Advance Ruling mechanism compared to Chapter XIX-B of the Income-tax Act, 1961?

No substantive or procedural change has been introduced in the Advance Ruling framework under the Income-tax Act, 2025. The Income Tax Act essentially consolidates, renumbers, and streamlines the provisions earlier contained in Sections 245N to 245W of the Income Tax Act 1961 (as amended post-Finance Act, 2021).

21. If an advance ruling application was pending under the Income-tax Act, 1961 as on 01.04.2026, how will it be dealt with?

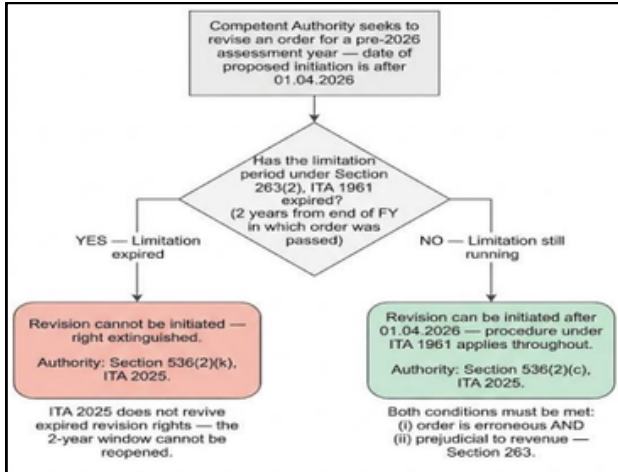
By virtue of section 536(2)(e) and (j), pending proceedings continue unaffected by repeal unless specifically altered. Therefore, a pending advance ruling application shall continue before the competent authority as constituted under the law then in force. The Income Tax Act 2025 does not disturb pending advance ruling proceedings.

D. Revision Of Orders

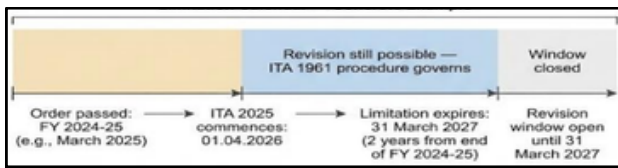
22. If no revision under section 263 of the Income Tax Act, 1961 was initiated before repeal, can fresh revision be initiated after 01.04.2026 for a pre-2026 tax year?

Yes, provided limitation under section 263(2) of the Income-tax Act, 1961 has not expired. Section 536(2)(c) permits initiation of proceedings after 01.04.2026 for earlier tax years, but strictly under the procedure of the Income-tax Act, 1961. However, if limitation has already expired, it cannot be revived under the Income-tax Act, 2025.

Can It Be Fresh Revision under Section 263 Initiated After 01.04.2026 for Pre-Transition Years?



Limitation Calendar - Concrete Example



23. Under the Income-tax Act, 2025, does the requirement that an order must be both “erroneous” and “prejudicial to the interests of revenue” continue to apply as the jurisdictional condition for revision of an order?

The fundamental jurisdictional requirement that the order of the Assessing Officer must be both erroneous and prejudicial to the interests of the revenue continues under section 377 of the Income-tax Act, 2025, just as it existed under section 263 of the Income-tax Act, 1961.

24. Has the limitation period for revision under Section 263 of the Income-tax Act, 1961 and Section 377 of the Income-tax Act, 2025 undergone any change?

No substantive changes are made in the outer limitation period. Under both Section 263 of the Income-tax Act, 1961 and Section 377(4) of the Income-tax Act, 2025, revision must be exercised within two years from the end of the financial year in which the order sought to be revised was passed.

However, the Income-tax Act, 2025 refines and clarifies the computation mechanism. While the Income-tax Act, 1961 provided for exclusion of time during stay of proceedings or rehearing (under Section 129), the Income-tax Act, 2025 (Section 377(6)) expressly enumerates the periods to be excluded—such as time consumed in rehearing and period during which proceedings are stayed by a court. More importantly, Section 377(7) introduces an explicit 60-day minimum residual period rule, providing that if, after excluding the relevant periods, the remaining time available for passing the revision order is less than 60 days, it shall automatically stand extended to 60 days.

25. If an application under section 264 of the Income-tax Act, 1961 is pending as on 01.04.2026, under which Act will it be disposed of — the Income-tax Act, 1961 or the Income-tax Act, 2025?

A revision application filed under section 264 of the Income-tax Act, 1961 and pending as on 01.04.2026 shall be disposed of under the provisions of the Income-tax Act, 1961. Section 536(2)(c) and (e) of the Income-tax Act, 2025 clearly provide that any proceeding pending on the date of commencement of the new Act, including revision proceedings, shall continue and be disposed of as if the new Act had not been enacted. A revision under section 264 is a statutory proceeding initiated under the repealed Act, and its rights, scope, limitation and powers are governed by that Act.

4. Set-off / Carry Forward Of Losses And Deductions

1. Has the fundamental principle of set off and carry forward of losses changed under the Income Tax Act, 2025 ?

No. The core architecture remains the same—losses are first adjusted intra-head i.e., within the same head of income and then inter-head subject to statutory restrictions, after which the balance, if any, is carried forward. The duration for which loss can be carried forward also remain unchanged. The structural comparison is brought out in the table below:

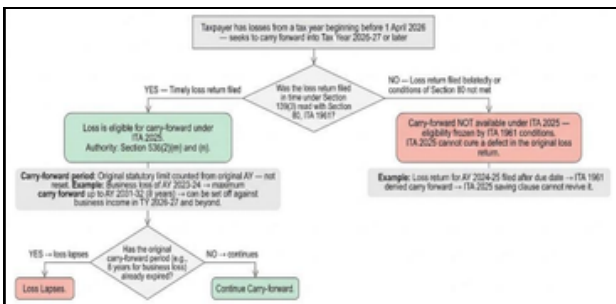
Subject	Income Tax Act, 1961	Income tax Act, 2025	Change
Intra-head set off	Sec 70	Sec 108	No Change
Intra-head set off	Sec 71	Sec 109	No Change
House property loss cap	Rs 2 lakh (71(3A))	Rs 2 lakh (109(1)(b))	No Change
Capital loss restriction	Sec 71(3)	Sec 109(2)	No Change
Business loss carry forward	Sec 72	Sec 112	8 years retained
Capital loss carry forward	Sec 74	Sec 111	8 years retained
Speculation loss	Sec 73	Sec 113	4 years retained
Specified business	Sec 73A	Sec 114	No Change
Race horse loss	Sec 74A	Sec 115	4 years retained

2. Can losses computed under the Income-tax Act, 1961 be carried forward under the Income-tax Act, 2025?

Yes. The position is expressly clarified under the repeal and saving clause contained in section 536 of the Income-tax Act, 2025. Clauses (m) and (n) of section 536(2) expressly provide that losses brought forward for tax years beginning before 1 April 2026 shall continue to be carried forward and set off under the new Act in the manner provided under the corresponding provisions of the repealed Act.

Example: Eligible business loss of AY 2023-24 (Income-tax Act, 1961) can be carried forward under the new Income Tax Act, 2025 but total carry forward period cannot exceed the original eight-year limit counted from AY 2023-24.

Carry Forward of Pre-Transition Losses into ITA 2025 - Does Timely Filing Determine Eligibility?



3. Are brought-forward losses from "Income from house property" under the old Act still available for set-off under the new Act?

Yes. Loss from house property brought forward for years before 1 April 2026 can be set off and carried forward under the new Act, in the manner as contained in the section 71B of the old Act.

For example, if Mrs. R had a house property loss in AY 2024-25, that loss can be adjusted against house property income under the new Act in later years.

4. Are there any provisions in the new Income Tax Act about set-off of brought forward business losses from earlier years under the old Act?

Yes. Business losses brought forward from years before 1 April 2026 can be set off against only business income and carried forward under the new Act, in the manner provided under section 72 of the old Act.

For instance, a taxpayer's business loss of AY 2023-24 can be adjusted against his business income for Tax Year 2026-27 under the new Act, subject to fulfilment of prescribed conditions.

5. How are brought-forward capital losses (both long-term and short-term) from earlier years treated under the new Act?

They can be carried forward and set off against capital gains computed under the new Act, but only in the manner the old Act allowed.

For instance, a long-term capital loss that a taxpayer had in AY 2024-25 can be used for set-off against his long-term capital gains in later years, following the conditions prescribed in the old Act.

6. If an amalgamation took place in FY2024-25 under section 72A of the Incometax Act, 1961, and the prescribed conditions are violated in FY 26-27, which Act governs the taxability of such violation?

If the statutory conditions prescribed under section 72A of the Income Tax Act, 1961—such as continuation of business or maintenance of prescribed levels of assets—are violated in a tax year beginning on or after 1st April, 2026 (say FY 2026-27), the consequences of such violation are determined under section 536(2)(o) of the Income Tax Act, 2025. This clause specifically provides that where any set-off of loss or allowance for depreciation was made before 1 April 2026 under section 72A of the old Act, and the stipulated conditions are subsequently not complied with, the amount so set off shall be deemed to be the income of the amalgamated (or successor) entity in the tax year of violation. Accordingly, the deemed income arising in tax year 2026-27 will be chargeable to tax under the Income-tax Act, 2025.

7. Are losses computed under the Income-tax Act, 1961 preserved in their original nature under the Income-tax Act, 2025, or does the new Act reclassify them under different heads of income?

The Income-tax Act, 2025 does not reclassify losses determined under the Income-tax Act, 1961 into different heads of income. Section 536 (repeal and saving clause) explicitly preserves the original character of such losses. Under sections 536(2)(m) and (n), losses retain their original nature—business, speculation, capital, etc.—and are carried forward and set off as per the corresponding provisions of the repealed Act. Thus, old losses are not converted or re-characterised; only their carry forward and set-off continues under the corresponding head in the 2025 Act.

8. If loss return for AY 2024-25 was filed belatedly under Income Tax Act, 1961, can it be carried forward under Income Tax Act, 2025?

No. If the loss return for AY 2024-25 was filed belatedly and did not meet the conditions of section 139(3) read with section 80 of the Income-tax Act, 1961, the loss cannot be carried forward. Since the tax year falls before 1 April 2026, carry-forward eligibility is governed solely by the old Act. The repeal and saving clause in section 536 of the Income-tax Act, 2025 preserves only validly determined losses and does not remedy defects or revive ineligible claims. Therefore, losses not eligible for carryforward under the 1961 Act cannot be carried forward under the 2025 Act.

9. Has the restriction on set-off of losses against undisclosed income changed under the Income Tax Act, 2025?

No. The restriction has remained the same in principle. Section 120 Income Tax Act, 2025 bars set-off of brought forward losses and/or unabsorbed depreciation against undisclosed income included in the total income of assessee consequent to search, requisition, or survey proceedings just like section 79A of Income-tax Act, 1961.

Deductions

10. Has the basic deduction for specified savings instruments as available under section 80C of the old Act changed under the Income-tax Act, 2025?

No. Section 123 of the Income-tax Act, 2025 retains the Rs 1.5 lakh aggregate deduction for specified savings instruments for individuals or HUF, structurally similar to Section 80C read with 80CCE of the Income Tax Act, 1961. The eligible instruments are now placed in Schedule XV, but the nature of qualifying payments such as life insurance, provident fund, tuition fees, etc., remains unchanged in substance.

11. Whether assessee can claim deduction under section 123 of the 2025 Act, under the New Tax Regime?

No, deduction under section 123 of the Act is not allowed to the assessee under the new concessional tax regime under section 202.

12. Is timely furnishing of return mandatory for claiming deductions under Part C of Chapter VIII of Income-tax Act, 2025, even if the income otherwise qualifies?

Yes. Under Section 122(5) of the Income-tax Act, 2025, furnishing the return of income within the prescribed due date is a statutory pre-condition for claiming deductions under Part C of Chapter VIII of Income-the tax Act, 2025. This continues the legislative policy earlier reflected in Section 80AC of the old Act that compliance with return furnishing timelines is integral to deduction entitlement.

13. Where a profit-linked deduction under section 80-IA of the Income-tax Act, 1961 was allowed for certain number of years, can the assessee continue to claim it after 1 April 2026?

Yes, but only for the remaining period and in manner as provided in the original Income-tax Act, 1961. The Income-tax Act, 2025 contains specific transitional provisions (for example, sections 138, 139, 141, 142, etc.) that permit continuation of deductions in respect of eligible businesses where the assessee would have remained eligible under the Income-tax Act, 1961 had it not been repealed. The deduction is not freshly granted under the new Act but is allowed as a continuation of the old Act.

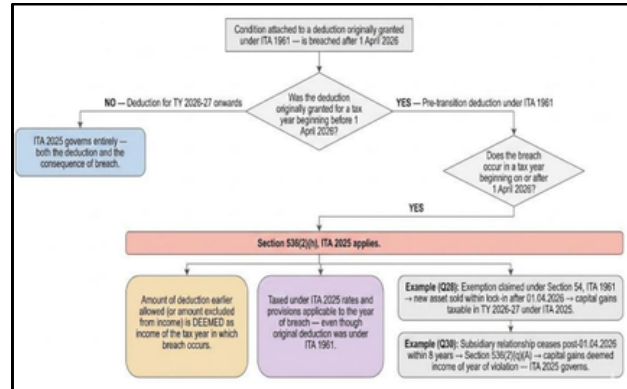
The continuation is strictly time-bound. If under the Income-tax Act, 1961 the deduction was available for ten consecutive years, the assessee may claim deduction for the remaining years after 1 April 2026 as would have been claimed under the old Act, but cannot extend the benefit beyond that statutory window.

14. If conditions attached to a deduction claimed under the Income Tax Act, 1961 are violated after 1 April 2026, under which Act will the tax consequences arise?

The issue is specifically governed by Section 536(2)(h) of the Income-tax Act, 2025 (Repeal and Savings). This clause provides that where, under the repealed Act, such sum would have been required to be included in total income upon violation, the same shall be deemed to be the income of the assessee for the tax year in which the violation

takes place and shall be included under the same head of income as it would have been included under the repealed Act.

Condition Violation of Deduction Granted Under ITA 1961- Consequences After 1 April 2026



15. Do pending appeals or assessments or reassessments or other proceedings relating to deductions under Chapter VI-A of the income Tax Act, 1961 continue under the old Act?

Yes. The section 536(2)(c) of Income Tax Act, 2025 clearly states that proceedings pending on the date of commencement of the Income-tax Act, 2025, or initiated thereafter in respect of tax years beginning before 1 April 2026, shall continue to be governed by the repealed Act. This includes assessment, reassessment, rectification, revision, penalty proceedings and appellate proceedings. Accordingly, if an appeal relating to disallowance of deduction under section 80P or 80-IA is pending, the matter will be decided under the Income-tax Act, 1961. Similarly, if deduction under Chapter VI-A was wrongly allowed, reassessment can still be initiated under the framework of the Income-tax Act, 1961 despite its repeal.

16. If a housing project eligible under section 80-IBA of the Income-tax Act, 1961 continues beyond 01.04.2026, can deduction still be claimed?

Yes, subject to section 142 of the 2025 Act, which allows deduction for such tax years as would have been allowed under section 80-IBA of the 1961 Act (as if not repealed).

Accordingly, if a housing project had validly qualified under section 80-IBA of the Income-tax Act, 1961, the deduction may continue for the remaining period, provided all conditions of the original provision are satisfied. The computation and eligibility remain governed by the framework of the repealed Act, but the deduction is granted under section 142 of the Income-tax Act, 2025.

17. If an option or declaration was exercised under the Income Tax Act, 1961, does it survive repeal?

Yes, subject to Section 536(2)(f) of the Income-tax Act, 2025. This clause provides that any election, declaration or option exercised under the repealed Income-tax Act, 1961 and in force immediately before commencement of the Income-tax Act, 2025 shall be deemed to have been exercised under the corresponding provision of the new Act. Thus, continuity is preserved where the new Act contains a parallel or mapped provision.

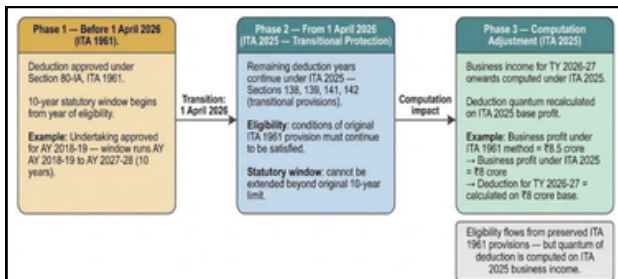
However, if the Income-tax Act, 2025 does not have a parallel provision, the earlier option cannot independently survive beyond the scope preserved by the saving clause. The deeming fiction operates only to the extent a corresponding statutory framework exists in the new law.

18. Can repeal of old Act affect the computation base for deduction if business income is computed under the Income-tax Act, 2025?

Yes. For tax years beginning on or after 1 April 2026, business income is computed under the Income-tax Act, 2025, even if the deduction itself is grandfathered from the Income-tax Act, 1961. While the eligibility for deduction may flow from the preserved provisions of the old law, the quantum of eligible profit is determined under the computation mechanism of the new Act. In simple terms, the right to claim deduction may come from the old regime, but the profit figure on which it is calculated comes from the new regime.

Example: Suppose an undertaking eligible under section 80-IA (Income Tax Act, 1961) has two years of deduction remaining after 01.04.2026. For FY 2027-28, its business income is computed under the Income-tax Act, 2025. If the recomputed business profit under the new Act is Rs 8 crore instead of Rs 8.5 crore under the old Act, the deduction will apply to Rs 8 crore and not Rs 8.5 crore

Profit-Linked Deductions (Section 80-IA and Equivalent) - Continuation and Computation Under ITA 2025



19. Can a deduction be claimed after 01.04.2026 if the undertaking had not satisfied eligibility conditions before repeal – but an identical provision exists in the Income Tax Act, 2025?

Yes, but only if the undertaking independently satisfies the eligibility conditions under the Income-tax Act, 2025 on fresh verification. If the new law contains a corresponding or identical deduction provision, the assessee's claim will be examined under the conditions of the Income-tax Act, 2025. In that case, the claim is not a continuation of an old right; it is a fresh claim under the new statute. The undertaking must satisfy all conditions as required under the Income-tax Act, 2025 for the relevant tax year.

20. If a deduction was partly disallowed under the Income Tax Act, 1961 and the appeal is decided after repeal, which law governs?

The matter will be governed by the Income-tax Act, 1961. Under Section 536(2)(c), (d) and (e) of the Income-tax Act, 2025, any proceeding relating to a tax year beginning before 1 April 2026 – including appeal,

reassessment, rectification or penalty – shall continue and be disposed of as if the Income-tax Act, 1961 had not been repealed. Therefore, the appellate authority will determine the entitlement strictly under the provisions of the Income-tax Act, 1961. However, if the appellate decision has consequences for subsequent tax years (for example, affecting carry forward of losses or quantum of unabsorbed depreciation), the forward impact for the tax years beginning from 1.04.2026 and onwards, will operate within the computational framework of the Income-tax Act, 2025.

Example: Suppose for AY 2025-26, an assessee claimed Rs 10 crore deduction under section 80-IA, but the same was reduced to Rs 7 Crore by AO. The appeal is decided in FY26-27 (after repeal) as per provisions of old Act, and the appellate authority allows the full Rs 10 crore deduction. The question of whether deduction of Rs 3 crore was allowable, will be decided under the Income-tax Act, 1961.

If that decision affects carry forward of business loss or MAT credit into TY 2026-27 onwards, the carry forward survives by virtue of Section 536, but its utilisation in future years will be governed by the provisions of Income-tax Act, 2025.

21. Has the relationship between Gross Total Income (GTI) and the deduction ceiling changed in Income Tax Act, 2025

No, there is no change. Under section 80A of the Income Tax Act, 1961, deductions under Chapter VI-A could not exceed the Gross Total Income (GTI). The same principle continues under the Income Tax Act, 2025 vide section 122 of the same - total deductions cannot exceed the GTI of the assessee.

22. If a search was initiated in March 2026 and a Chapter VI-A deduction is under scrutiny, which Act applies?

The Income-tax Act, 1961 will apply. If a search was initiated before 1 April 2026, the entire proceeding – including assessment, reassessment, penalty and appeal – will continue under the Income-tax Act, 1961, even if the assessment order is passed after 01.04.2026. This position is expressly protected by the saving clause in Section 536(2)(v) of the Income-tax Act, 2025, which states that where a search has been initiated under section 132 (or requisition under section 132A) before commencement of the Income-tax Act, 2025, the provisions of the repealed Act shall continue to apply as if the new Act had not been enacted.

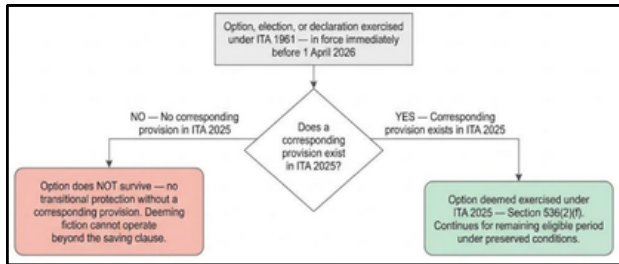
23. Is a revision under Section 263 of the Income-tax Act, 1961 by the CIT, after repeal, for AY 2024-25 involving an 80IA claim still valid?

Yes, it is valid. AY 2024-25 is a tax year beginning before 1 April 2026. Under Section 536(2)(c) and (e) of the Income-tax Act, 2025, any proceeding relating to a tax year prior to 1 April 2026 – including revision – shall continue and be disposed of as if the Income-tax Act, 1961 had not been repealed.

24. If an assessee had opted for a specific deduction regime under the Income Tax Act, 1961, does that option automatically migrate into the Income Tax Act, 2025?

It continues only if the saving clause specifically protects it. Under Section 536(2)(f) of the Income-tax Act, 2025, any election, declaration or option exercised under the Income Tax Act, 1961 and in force immediately before repeal is deemed to have been exercised under the corresponding provision of the Income Tax Act, 2025 — but only if a corresponding provision exists. This means the old option survives only where the new law contains a mapped continuation. It does not create a permanent or independent right.

Migration of Options and Declarations from ITA 1961 into ITA 2025 - When Does Deeming Apply?



25. Whether provisions to prevent inflation of eligible profits through inter-unit transfers provided in the Income-tax Act, 1961 are incorporated in the Income-tax Act, 2025?

Yes. Both the Income-tax Act, 1961 and the Income-tax Act, 2025 contain similar anti-abuse safeguards to prevent artificial inflation of profits of an eligible undertaking through inter-unit transfers.

26. How are deductions claimed under the old Act dealt with if the conditions attached to them are breached in a subsequent year after the new Act comes into force?

When a deduction granted in earlier years under the old income tax Act was subject to conditions, and those conditions are breached in a later year after the new Act has come into effect, the previously allowed benefit will be reversed. The amount earlier deducted (or excluded from total income) is then taxed as income in the year of violation as per provisions of the new Act.

27. If exemption was claimed under Sections 54 of the Income-tax Act, 1961, and the new asset is transferred after 1 April 2026 but within the prescribed lock-in period, how will the withdrawal of exemption be taxed under the Income-tax Act, 2025?

Where exemption was originally claimed under Sections 54, 54B, 54F, etc., of the Income-tax Act, 1961 and the new asset is transferred after 1 April 2026 but within the prescribed lock-in period, Section 536(2)(h) of the 2025 Act applies. It provides that if conditions attached to a deduction or exemption granted under the repealed Act are violated after commencement of the new Act, the amount earlier claimed as exempt shall be deemed to be income of the assessee in the year of violation. For instance, if a house (being the new asset for claiming exemption from capital gains) purchased in March 2025 is sold in May 2027 (within three years), the earlier exempted capital gain will be taxed in Tax Year 2027-28 under the Income-tax Act, 2025, but the triggering condition and quantum will be determined as per Section 54 of the old Act.

28. How will amounts deposited before 1 April 2026 in the Capital Gains Account Scheme under the Income-tax Act, 1961 be taxed if they remain unutilised after the prescribed period, and will such taxation be governed by the old Act or the Income-tax Act, 2025?

If an assessee deposited unutilised capital gains in the Capital Gains Account Scheme under the Income-tax Act, 1961 before 1 April 2026, such deposit continues to be governed by the conditions of the old Act. If the amount is not utilised within the prescribed period (for example, three years under Section 54), then as per Section 536(2)(h), the unutilised portion will be taxed in the year in which the time limit expires. For example, if the transfer occurred in June 2024 and the deposit remains unutilised till June 2027, the amount becomes taxable in Tax Year 2027-28 under the new Act, but computation follows the old exemption structure.

29. How are violations of conditions under Sections 47(xiii), 47(xiii b) and 47(xiv) treated after repeal of Income Tax Act, 1961?

Sections 47(xiii), 47(xiii b) and 47(xiv) of the 1961 Act granted capital gains exemption on conversion of firm to company, company to LLP, and proprietary concern to company, respectively, subject to continuity and shareholding conditions. If these conditions were not complied with, the exemption would be withdrawn under Section 47A. Section 536(2)(q)(B) of the 2025 Act provides that if such non-compliance occurs after 1 April 2026, the previously exempted capital gains shall be deemed taxable under the 2025 Act in the year of violation. Therefore, the repeal does not absolve entities from compliance with post-conversion lock-in conditions.

30. Do multi-year deductions as provided in sections 35ABA, 35ABB, 35D, 35DD, 35DDA, 35E or the first proviso to section 36(1)(ix) of the Income Tax Act, 1961 (like preliminary expenses, telecom/licence fees amortized over several years, etc.) claimed under the old Act continue under the new Act?

Yes. As per section 536(2)(s) of the Income Tax Act, 2025, these deductions continue for the remaining years under the new Act, provided the conditions are met. For example, if M/s. ABC started claiming a preliminary expense deduction in five equal parts from AY 2025-26, it will continue to get the remaining portions in AY 2026-27 and later years under the new Act.

31. A telecom company incurred expenditure for obtaining right to use spectrum for telecommunication services before 01.04.2026 and had started claiming a multi-year deduction u/s 35ABA of the old Act. Will it lose the balance after the new Act commences?

No. The deduction continues for the remaining years under the new Act, provided the conditions are met.

For example, XYZ Telecom Ltd. paid a license fee in FY2024-25 and had already claimed two years of deduction before the new Act commenced. From Tax Year 2026-27,

the remaining deduction becomes part of the new Act's deferred expenditure allowance, and the company will continue claiming it each year subject to fulfilment of conditions prescribed.

32. Whether unabsorbed depreciation from AY prior to 2026 continues with unlimited carry forward under 2025 Act?

Yes. By virtue of saving clause, character and time-limit (or absence thereof) remains intact.



5. Issues Concerning Non-resident Indians (Nris)

1. Has the basic test of residence for individuals changed under the Incometax Act, 2025?

No change has been made in the basic conditions for determining individual residency. Under section 6 of the Income-tax Act, 2025, an individual continues to be treated as tax-resident if he stays in India for 182 days or more in the relevant tax year, or for 60 days or more in that year coupled with 365 days or more in the preceding four years. These conditions are identical to section 6(1) of the Income-tax Act, 1961.

2. Does the special relaxation under the 1961 Act continue to apply under which a citizen of India leaving India for employment outside India or as a crew member of an Indian ship is considered a resident only if he stays in India for 182 days or more during the relevant tax year?

Yes, the special relaxation continues without any change. If a citizen of India leaves the country for employment outside India or as a crew member of an Indian ship, he will be regarded as a resident only if his stay in India is 182 days or more during the relevant tax year. In such cases, the condition of stay of 60 days in the relevant tax year along with 365 days in the four preceding tax years does not apply.

3. Has the rule for Indian citizens or Persons of Indian Origin visiting India been modified in the new Act?

No. The rule remains the same under the Income-tax Act, 2025. Visiting Indian citizen or person of Indian origin shall be treated as 'resident' in a tax year if he is in India for a total period of more than 182 days in that tax year. For persons earning more than Rs. 15 lakh (other than the income from foreign sources) during the tax year, alternate condition u/s 6(2)(b) of the new Act also applies with modification that '60 days' in the said section is to be read as '120 days' along with 365 days or more in the four years preceding such tax year.

4. What is meant by deemed to be a resident? Has the 'deemed residency' provision of Income Tax Act, 1961 undergone any change?

As per section 6(1A) of the Income-tax Act, 1961, a citizen of India having total income exceeding Rs 15 lakh (other than income from foreign sources), and not liable to tax in any other country by reason of domicile, residence or similar criteria, is considered to be deemed resident. This deemed residency rule has been retained in the Income-tax Act, 2025. Section 6(7) of the Income-tax Act, 2025 is similar to section 6(1A) of the Income-tax Act, 1961. In this scenario, stay of number of days in India is insignificant.

5. Has the concept of 'Not Ordinarily Resident' (NOR) been altered under the new Act?

There is no modification in the NOR criteria. An individual remains not ordinarily resident in a tax year if he was non-resident in nine out of ten preceding years or stayed in India for 729 days or less in the preceding seven years. Section 6(13) of the Income-tax Act, 2025 is similar to section 6(6) of the Income-tax Act, 1961.

6. Whether the Residency Test for a Company Has Changed under the Incometax Act, 2025?

No, the residency test for a company has not changed under the Income-tax Act, 2025. Under both the Income-tax Act, 1961 and the Income-tax Act, 2025, a company is regarded as resident in India if it is an Indian company or if its Place of Effective Management (POEM) during the relevant year is in India.

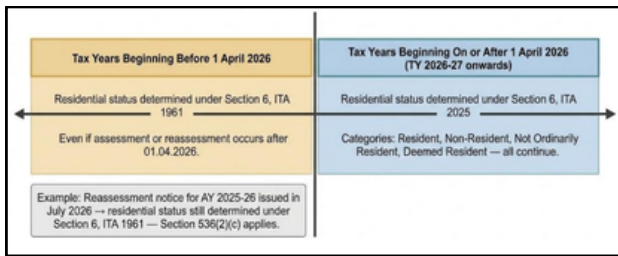


7. Which law will determine residential status for tax years prior to 1 April 2026?

Residential status for any tax year beginning before 1 April 2026 will continue to be determined under section 6 of the Income-tax Act, 1961, even if the assessment or reassessment takes place after the commencement of the Income-tax Act, 2025. This flows from the savings clause which preserves the applicability of the 1961 Act for all proceedings relating to earlier tax years.

Which Act Governs Residential Status Determination - ITA 1961 or ITA 2025?

1 April 2026-ITA 2025 Commences



8. If reassessment for AY 2025-26 is initiated after 1 April 2026, which provisions will apply for determining the tax-residency of a person?

Even if notice for reassessment for AY 2025-26 is issued after 1 April 2026, the residential status must be determined strictly under section 6 of the Income-tax Act, 1961 because the tax year involved begins before 1 April 2026. The section 536 of the new Act expressly provides that proceedings relating to such years shall be carried out under the old Act as if the new act had not been enacted.

Thus, the Income-tax Act, 2025 has no application in determining tax-residency for any tax year beginning before 1 April 2026.

9. From which year will residential status be governed by the Income-tax Act, 2025?

Residential status under section 6 of the Income-tax Act, 2025 will apply only for tax years beginning on or after 1 April 2026. For such years, the determination of resident, non-resident, deemed resident and not ordinarily resident will be governed entirely by the new Act. There is no overlapping application for the same tax year. The dividing line is the commencement date of the tax year, not the date of proceedings.



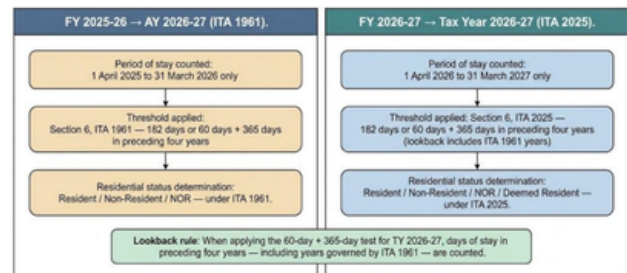
10. If a person's stay in India spans across time period where both Acts are effective, how is residential status evaluated?

Residential status is assessed separately for each tax year. Where an individual's stay in India extends across financial years 2025-26 and 2026-27, the tax residency for FY 2025-26 (AY 2026-27) shall be determined based on the period of stay up to 31 March 2026, in accordance with the provisions of the Income-tax Act, 1961.

For FY 2026-27, residential status shall be determined under the provisions of the Income-tax Act, 2025, and the period of stay from 1 April 2026 onwards will be considered for this purpose.

However, while applying the "60 days (stay in the relevant tax year) + 365 days (stay in the preceding four tax years)" test, the stay during FY 2025-26 and earlier years shall also be taken into account, as relevant.

Residential Status When Stay in India Spans Both Tax Regimes FY 2025-26 and FY 2026-27



11. Does the repeal affect the continuity conditions relevant for 'Not Ordinarily Resident' status?

No, the continuity-based tests such as "nine out of ten preceding years" or "729 days in seven preceding years" will continue to look back to earlier years even if those years were governed by the Income-tax Act, 1961. When applying section 6 of the Income-tax Act, 2025 for tax year beginning on or after 01.04.26, the preceding years may include years under the repealed Act.

12. How does deemed residency interplay with the repeal clause?

For tax years prior to 1 April 2026, deemed residency of Indian citizens not liable to tax elsewhere and having income exceeding Rs 15 lakh will be governed by section 6(1A) of the Income-tax Act, 1961. For tax years beginning on or after 1 April 2026, the corresponding deemed residency provision in section 6(7) of the Income-tax Act, 2025 will apply.

The repeal clause ensures that deemed residency for earlier years cannot be tested under the new provision.

13. If a person was treated as resident for a particular year under the Incometax Act, 1961, can that status be reopened under the Income-tax Act, 2025?

No, residential status once determined for a tax year under the Income-tax Act, 1961 can only be reopened in accordance with the provisions of that Act.

14. Whether the provisions relating to concessional tax regimes for NRIs as contained in sections 115D, 115E and 115F of the Income-tax Act, 1961 have undergone any change under the Income-tax Act, 2025?

No. The core features of the special NRI taxation regime remain unchanged. Under the Income-tax Act, 1961:

- Section 115D disallowed deduction of any expenditure or allowance while computing investment income of a Non-resident Indian (NRI) and restricted Chapter VI-A deductions where the gross total income consisted of such income.

- Section 115E provided for concessional tax rates of 20% on investment income and 10%/12.5% on long-term capital gains depending on the date of transfer.
- Section 115F granted exemption from capital gains where the net consideration from transfer of foreign exchange assets was reinvested in specified assets within six months, subject to a proportional exemption formula and a three-year lock-in period, along with a claw-back provision on premature transfer.

The corresponding Sections 213, 214 and 215 of the Income-tax Act, 2025 substantially reproduce these provisions. Thus, the restriction on deductions, concessional tax treatment, reinvestment exemption (including the formula $A = B \times C / D$), lock-in condition, and claw-back mechanism have been retained under the new Act without material alteration.



15. Has the return filing exemption for NRIs under Section 115G of the 1961 Act been continued in Income-tax Act, 2025?

Yes. Section 115G of the Income-tax Act, 1961 exempted NRIs from filing a return where total income consisted only of investment income or long-term capital gains or both, subject to TDS. Section 216 of the Income-tax Act, 2025 retains this relief in similar terms, maintaining the compliance simplification approach. The conditions—limited income category and proper tax deduction at source—remain the same.

16. Has the continuation of benefits after becoming resident under Section 115H of the old Act been preserved in Income-tax Act, 2025?

Section 115H of the Income-tax Act, 1961 allowed an NRI who became resident to continue enjoying concessional taxation on certain foreign exchange assets (other than shares) upon filing a declaration. Section 217 of the Income-tax Act, 2025 preserves this continuation benefit. The requirement of furnishing a declaration along with the return and continuation until transfer or conversion of asset remains intact. Accordingly, continuity of benefits has not been withdrawn.

17. Has the elective mechanism under Section 115-I of the Income-tax Act, 1961, allowing an NRI to opt out of the special concessional regime and be taxed under normal provisions, been retained in the Income-tax Act, 2025?

Section 115-I of the Income-tax Act, 1961 allowed an NRI to elect not to be governed by the special concessional regime for any assessment year and instead be taxed under normal provisions.

The Income-tax Act, 2025 retains this elective mechanism allowing the assessee to declare in the return that the special provisions shall not apply. Upon such declaration, taxation shall be under the general provisions of the Act. The voluntary nature of the special regime therefore remains intact.

18. If an NRI had exercised the option under Section 115-I (old Act) to opt out of the concessional regime, does that election survive repeal?

Yes, the repeal and saving clause preserves elections validly exercised under the Income-tax Act, 1961 for the relevant assessment year. Since the option under Section 115-I was year-specific, its effect continues for that particular year even after repeal. For tax years governed by the Income-tax Act, 2025, the corresponding opt-out provision will apply prospectively. The repeal does not retrospectively invalidate an option previously exercised. Thus, each tax year shall be examined independently based on the governing statute applicable to that year and the option chosen by the assessee.

19. An NRI had claimed exemption under Section 115F of the Income-tax Act, 1961. He transfers the new asset after 01.04.2026 (i.e., after commencement of the Income-tax Act, 2025) but within the three-year lock-in period, which Act will apply for the claw-back and in which year will the income be taxed?

If the new asset is transferred after 01.04.2026 but within the three-year lock-in period, the claw-back liability arises under Section 115F(2) of the Income-tax Act, 1961, as that is the provision granting the original exemption. The repeal and saving clause of the Income-tax Act, 2025 preserves the exemption's liability, keeping its rights and conditions governed by the 1961 Act.

However, the year of taxability shall be the tax year in which the new asset is transferred. If this occurs after 01.04.2026, the transfer falls under the 2025 Act, and assessment for that year will follow its provisions.

20. Does a declaration filed by an NRI under Section 115H of the Income-tax Act, 1961 to continue concessional taxation after becoming a resident remain valid under the Income-tax Act, 2025?

Where an NRI had filed a declaration under Section 115H of the Income-tax Act, 1961 to continue concessional taxation after becoming resident, such declaration is a valid declaration for the purposes of the new Act as provided in section 536(2)(f) of the Income Tax Act, 2025.





21. How are pending assessments or reassessments involving Sections 115C– 115I treated after repeal of the old Act?

Assessments relating to tax years governed by the Income-tax Act, 1961 will continue under that Act by virtue of the saving clause. The repeal does not invalidate completed proceedings or ongoing reassessment actions initiated under the provisions of the old Act. Therefore, disputes involving concessional rates, denial of deduction under Section 115D, or exemption under Section 115F will be adjudicated under the old Act for those years. The new Act applies only prospectively to tax years beginning on or after 1st April, 2026.

22. Does repeal affect the definition of “foreign exchange asset” for assets acquired under the old regime?

No, assets acquired as “foreign exchange assets” under Section 115C of the Income-tax Act, 1961 retain their character for the purposes of taxation in respect of earlier years. Since the Income-tax Act, 2025 adopts similar definitions under Section 212, there is no discontinuity in classification. The saving clause ensures that characterization of assets and tax treatment determined under the old law remains valid.

23. Has exemption for interest earned on NRE account as available under section 10(4)(ii) of the Income Tax Act, 1961 been retained in the Income-tax Act, 2025?

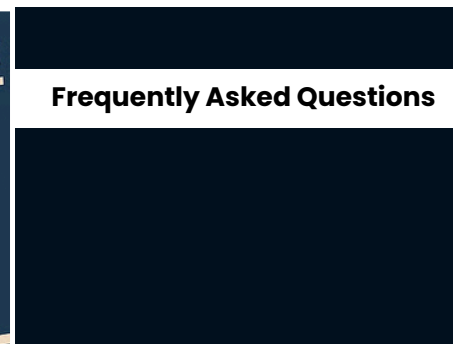
Section 10(4)(ii) of the Income-tax Act, 1961 exempted interest earned by an individual from a Non-Resident (External) Account (NRE) maintained in accordance with FEMA, provided the individual is a “person resident outside India as defined in FEMA” or is permitted by RBI to maintain such an account. In the Income-tax Act, 2025, this exemption has been kept in Schedule IV. The substantive conditions remain the same— eligibility continues to depend on non-resident status under FEMA and RBI permission. There is no withdrawal or dilution of this exemption.

24. Does the Income-tax Act, 2025 alter the linkage between FEMA residential status and income-tax exemption under Section 10(4)(ii) of the old Act?

Under the Income-tax Act, 1961, the exemption under Section 10(4)(ii) of the old Act was based on the FEMA definition of “person resident outside India” rather than tax residency under the Income-tax Act. The Income-tax Act, 2025 continues to maintain this distinction.

25. Does the Income-tax Act, 2025 retain the mechanism provided under the first proviso to Section 48 of the Income-tax Act, 1961, allowing non-residents to compute capital gains on shares or debentures in the original foreign currency and reconvert the net gain into Indian currency?

Under the first proviso to Section 48 of the Income-tax Act, 1961, Non-resident computing capital gains on transfer of shares or debentures of an Indian company were permitted to compute gains in the same foreign currency in which the investment was made, and reconvert the net gain into Indian currency. This neutralized exchange fluctuation impact. Under the Income-tax Act, 2025, Section 72 retains this mechanism for non-residents.





हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड
(भारत सरकार का उपक्रम)
Housing & Urban Development Corporation Limited
(A Government of India Enterprise)



एम नागराज
निदेशक (कॉरपोरेट प्लानिंग)
M. NAGARAJ
Director (Corporate Planning)



MESSAGE

Dear Shri Sandeep Kumar,

I extend my warmest congratulations to you on the impending launch of Global Finance and Economics Magazine: The Worldonomics Times on May 5th! This milestone marks the beginning of what promises to be an exciting journey in the realm of global finance and economics journalism.

As our world becomes increasingly interconnected, the need for a comprehensive and insightful resource in the field of finance and economics has never been greater. Your magazine's dedication to providing a platform for experts to share their insights is commendable and much needed in today's complex economic landscape.

I have no doubt that The Worldonomics Times will quickly establish itself as a key resource for policymakers, industry professionals, academics, and anyone with a keen interest in understanding the intricacies of global finance and economics. Your commitment to delivering high-quality, well-researched content will undoubtedly set a new standard in the industry.

I eagerly anticipate the inaugural issue and look forward to the valuable contributions and perspectives that The Worldonomics Times will bring to the forefront of economic discourse.

Once again, congratulations on this significant achievement, and I wish you all the best for a successful launch and a prosperous future ahead.

(CMA - M. NAGARAJ)



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MESSAGE

Dear Shri Sandeep Kumar,

I take this opportunity to heartily congratulate you on publishing "The Worldonomics Times", which I really feel is a hands-on treasure of useful information.

Today's world is rapidly changing and inter-woven with diverse complexities. In such a global environment, authentic and timely information is a powerful tool which I am sure will be always provided by "The worldonomics Times". I am sure, the adage that "*The Pen is mightier than the Sword*" will be once again be proven right with your magazine.

Congratulations, once again and my Best wishes for this wonderful knowledge endeavour!



(CMA Rajesh Kumar Dwivedi)

BLESSING SUPPORT



CMA Sanjay Jindal

Director Finance | Engineers India Limited

Dear Mr. Sandeep Kumar,

With the launch of The Worldonomics Times, professionals worldwide are poised to embark on a journey of enlightenment and empowerment. In today's fast-paced economic landscape, the need for up-to-date insights and innovative strategies is more crucial than ever. As Director (Finance), I recognize the significance of continuous learning and informed decision-making. This magazine promises to be a comprehensive resource, offering

valuable insights and actionable strategies to navigate the challenges and opportunities ahead. The Worldonomics Times is not just a publication; it's a beacon of innovation in economic discourse. Through cutting-edge analysis, thought-provoking articles, and expert commentary, it will serve as a trusted companion for professionals across various sectors. Leveraging the latest technologies, the magazine ensures accessibility and engagement for all readers, regardless of background or expertise. Beyond economics, The Worldonomics Times will explore intersections of finance with technology, sustainability, and social responsibility. By fostering dialogue and collaboration across diverse fields, it will inspire innovative solutions to global challenges. I am proud to be associated with this initiative, and I extend my deepest gratitude to the editorial team, contributors, partners, and supporters who have worked tirelessly to bring this vision to life. I offer my sincerest blessings to all those who will embark on this journey of enlightenment and empowerment, fueling innovation and success in the ever-evolving world of economics. Impressive Initiative! Best Wishes to you and your team for resounding success on this fantastic effort.



CMA Hrishikesh Kumar

Executive Director (Finance) | NBCC (India) Limited

Dear Shri Sandeep Kumar,

At the outset I would like to congratulate you for taking the initiative for publishing this magazine "The Worldonomics Times". In this era of rapid changing economic environment vis-à-vis the pressure on business to sustain, the importance of seamless transfer of information and knowledge cannot be underestimated which I hope would be fulfilled by your magazine in future. I must say this is a great initiative by you and your team in this regard. All the

est for your endeavor.



CMA Yogendra Prasad Shukla

Director Finance | HOCL - Hindustan Organic Chemicals Limited

Dear CMA Sandeep Kumar Ji,

I extend my heartfelt congratulations on the launch of "The Worldonomics Times." Your dedication to providing a platform for insightful economic knowledge is truly commendable. In today's-paced economic, the significance of facilitating the smooth flow of information and wisdom cannot be overstated, and I am confident that your magazine will excel in meeting this crucial need. Your initiative, alongside your team, is truly praiseworthy, and I

foresee "great success for "The Worldonomics Times" in the days ahead. Your commitment to empowering minds through economic understanding is inspiring. Best regards.

BLESSING SUPPORT



CMA Yash Paul Bhola

Former Director (Finance) | NFL - National Fertilisers Limited

Dear INCOC Team Members,

I congratulate and appreciate the efforts by one and all in bringing out Global Finance and Economics Magazine, "The Worldonomics Times". This milestone marks the beginning of an exciting journey in the realm of global finance and economics journalism. As our world becomes increasingly interconnected, and regulatory framework is fast getting changed and updated, the need for a comprehensive magazine in finance field cannot be over emphasised. This

magazine is dedicated to providing a platform for periodical up-dation of the developments across the globe and experts to share their insights. It is intended to establish itself as a key resource for policymakers, industry professionals, academics, and anyone with a keen interest in understanding global finance and economics. Once again, I congratulate and wish you all the best for a successful launch of the magazine and a prosperous future ahead.



CMA Gaurang Dixit

Former Chairman-cum-Managing Director | NSIC - National Small Industries Corporation

Dear Shri Sandeep Kumar,

At the onset, I applaud the initiative of the 'International Navodaya Chamber of Commerce' to come out with a magazine 'The Worldonomics Times', which will provide the relevant information and knowledge to the all in this diverse global market. In the present complex business / economic scenario, the whole world market is like a field open for all players to play thereon. This global market is

having abundant opportunities and to become a successful entrepreneur in such complex economic environment, the need for having relevant information and knowledge is of paramount significance. Your endeavour to come out with the magazine 'The Worldonomics Times' will certainly help to suffice this requirement. I must congratulate to you and your team for this endeavour. With best wishes.



CMA R C Gupta

Former Executive Director (Finance & Accounts) | GAIL (India) Ltd.

Dear Shri Sandeep Ji,

I have gone through the May 2024 issue of The Worldonomics Times and found it very informative. My heartfelt congratulations on the launch of a world class magazine in the area of Cost Management, Financial Management, Financial Planning, Taxation and World Economic Affairs. The coverage in the magazine is very wide & excellent and is based on the theme of Global Perspective with Local Relevance, in-depth data driven journalism and accessibility of the

magazine in print as well as digital formats. It will empower the readers with well researched articles for ready reference, decision making & knowledge enhancement. I wish all the best to you and your team of International Navodaya Chamber of Commerce (INCOC) for bringing the magazine on regular basis with full of information of world economic affairs for use by all professionals. With Best regards.

BLESSING SUPPORT



Shri Jyoti Prakash Gadia

Managing Director | Resurgent India Limited

Dear Sandeep Ji,

Congratulations on the launch of The Worldonomics Times! This new publication promises to be a vital resource in financial journalism and stands to reshape our grasp of global financial landscapes. The Worldonomics Times will undoubtedly be an indispensable source for thorough analyses, covering the nuanced intersections of global economics and market dynamics. Your magazine is uniquely positioned to serve the needs of business leaders,

policymakers, and those with a keen interest in the complexities of global finance. We eagerly await the fresh perspectives and insights that The Worldonomics Times will bring to the complex world of global finance. Best wishes for your journey ahead!



CMA Ramesh Kumar

Chief General Manager | Power Grid Corporation Of India

Dear Shri Sandeep Kumar,

With great pleasure we extend our good wishes on the launch of The Worldonomics Times. This publication is poised to become a cornerstone in the landscape of global finance and economics, offering deep insights and valuable perspectives. Your commitment to excellence in disseminating knowledge is not only commendable but vital in these complex economic times. We eagerly anticipate the success and influence your magazine will

undoubtedly achieve. Warm regards.



Shri BK Sabharwal

Chairman, Capital and Commodity Market Committee, PHDCCI Ex-President CPAI, Ex-chairman FISE, Ex-Director | Delhi Stock Exchange

Dear Sandeep Kumar,

Congratulations on the launch of The Worldonomics Times! Your dedication to global finance journalism is commendable. This milestone marks the beginning of an insightful journey. In our interconnected world, timely updates on regulatory changes are vital, and your magazine promises to fulfill this need. Dedicated to providing expert insights and periodic updates, it aims to

become a key resource for policymakers, industry professionals, and academics. Your leadership in this initiative is inspiring. Here's to a successful launch and a prosperous future ahead. Best regards.



CMA Vijay Kumar Agarwal

GM (Finance) | ONGC Videsh

Dear Shri Sandeep Ji,

It's my great pleasure to note "The Worldonomics Times" monthly magazine launching by "International Navodaya Chamber of Commerce (INCOC)". The various Global Perspectives with relevant data have been covered which are relevant from our local perspective. The contents of magazine in coming days will be way forward in knowledge enhancement as well as for better understanding in correlating the global economics with local need.

Congratulations CMA Sandeep ji & Team for such an initiative which will surely provide the tailored world economic information.



THE WORLDONOMICS TIMES

The Worldonomics Times is a monthly publication launched by the International Navodaya Chamber of Commerce (INCOC). Based in New Delhi, India, it serves as a specialized resource for global finance, economics, and business management.

The magazine released its premiere issue on May 5, 2024, and focuses on providing data-driven insights and expert analysis for business leaders, policymakers, and scholars.

Key Features and Content

- **Focus Areas:** In-depth reporting on international trade, financial market shifts, macroeconomic theories, and environmental economics.
- **Format:** Available in both online (digital flipbooks) and print formats. It also features a dedicated mobile app for academic and professional learning.
- **Expert Contributors:** Articles are frequently authored by industry veterans, including Chartered Accountants (CAs), Cost & Management Accountants (CMAs), and financial consultants.
- **Mission:** To bridge the gap between complex economic theories and real-world business applications, particularly focusing on how global trends impact India's economic landscape.

Why is The Worldonomics Times important?

The Worldonomics Times is important because it keeps people informed about what is happening in the world of economics, business, trade, and global markets. In today's fast-changing world, having the right economic information helps individuals, businesses, and governments make better decisions.

It helps in:

- Understanding global and national economic trends
- Staying updated on trade, finance, and industry news
- Supporting business planning and investments
- Creating awareness about policies and market changes
- Encouraging educated and informed citizens

In simple words, Worldonomics Times connects people with the economic reality of the world and helps them grow, plan, and succeed.

Publication Details:

Frequency	: Monthly
Editor-in-Chief	: Sandeep Kumar (FCMA, CA)
Publisher	: International Navodaya Chamber of Commerce (INCOC)
Language	: English
Headquarters	: Vishwas Nagar, Delhi, India

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International Navodaya Chamber of Commerce (INCOC)

The International Navodaya Chamber of Commerce is a non-profit organization based in Delhi, India, established in 2021 with the objective of promoting entrepreneurship, professional development, and business collaboration. The organization works as a platform that connects entrepreneurs, professionals, MSMEs, and young leaders to support economic and social development.

INCOC was incorporated on 23 July 2021 and operates as a non-profit company registered under the Companies Act. Its registered office is located in Vishwas Nagar, Shahdara, Delhi. The organization is governed by a board of directors and operates through membership programs and professional networks.

Vision and Mission

The primary mission of INCOC is to empower individuals, businesses, and communities by providing opportunities for networking, knowledge sharing, and professional growth. It focuses on building a collaborative ecosystem where entrepreneurs and professionals can exchange ideas and contribute to economic development.

Key objectives include:

- Promoting business growth and entrepreneurship across India.
- Creating platforms for networking and collaboration among professionals and enterprises.
- Promoting business growth and entrepreneurship across India.
- Creating platforms for networking and collaboration among professionals and enterprises.

Major Activities

The International Navodaya Chamber of Commerce organizes a variety of professional and business activities, including:

- Business conferences, summits, and seminars
- Leadership and professional development programs
- Entrepreneurship and MSME support initiatives
- Skill development and training workshops
- Networking events for professionals and businesses
- Policy advocacy and collaboration with government bodies

Through these activities, INCOC aims to provide a platform where professionals such as CAs, CMAs, CSs, entrepreneurs, and MSME owners can interact, learn, and grow together.

Membership and Network

INCOC operates as a member-driven organization, offering membership to students, professionals, entrepreneurs, and businesses. Members benefit from networking opportunities, workshops, knowledge resources, and participation in events organized by the chamber.

Overall Role

Overall, the International Navodaya Chamber of Commerce acts as a bridge between professionals, businesses, and society, promoting entrepreneurship, leadership, and collaborative growth. Its long-term vision is to contribute to the development of a knowledge-driven, ethical, and globally connected professional community in India.

Head Office

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INCOC Leadership

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