FAST / FACTS

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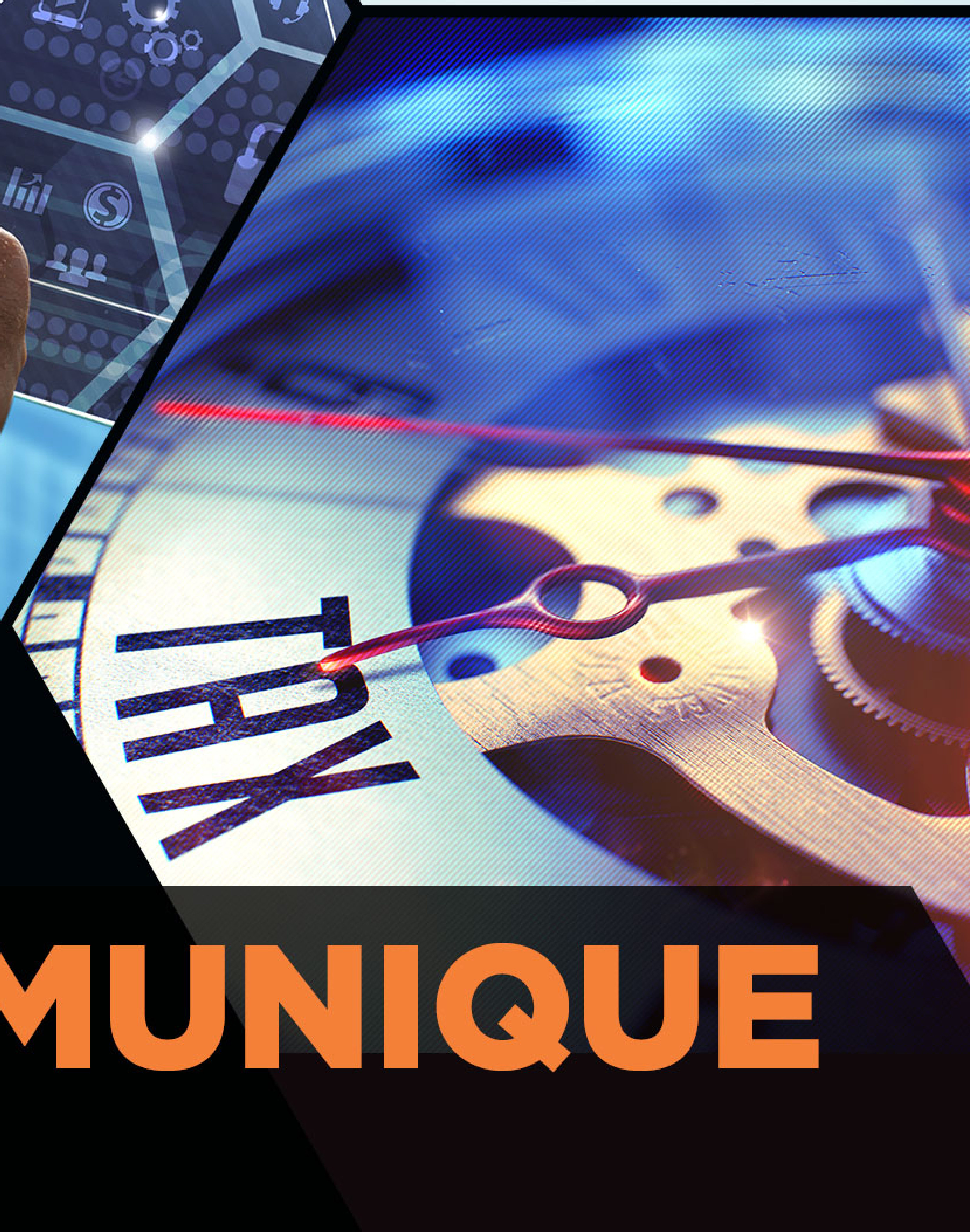

The COMMUNIQUE

Senthil Kumar S

Our Leadership Speaks

Leading through uncertainty

The ongoing US-Iran conflict is no longer just a geopolitical issue; it is now an economic and business reality. Disruptions in oil supply routes, especially through the Strait of Hormuz, have pushed oil and shipping costs upward, which directly increases logistics, manufacturing, and operating costs for businesses worldwide. When energy and transportation costs rise, almost every industry feels the impact, either through higher expenses or supply delays.

For businesses, the real risk lies in inflation, supply chain disruptions, and economic uncertainty. Higher raw material costs, delayed shipments, and volatile markets can pressure margins and cash flows. Economists are already warning about the possibility of slow growth with high inflation, which is a difficult environment for most companies to operate in and requires careful financial and operational planning.

In such times, businesses should focus on resilience before aggressive growth. Strengthening cash flows, diversifying suppliers, maintaining inventory buffers, improving operational efficiency, and investing in automation and digital processes are strategic moves that create stability. History shows that companies that build resilience during uncertainty are the ones that scale faster when stability returns.

Inside This Edition

FAST / FACTS

Never miss a date

April 7th

Due date for deposit of TDS/TCS for the month of March 2026 by an office of the government (where tax is paid without production of an Income-tax Challan).

April 7th

Uploading of declarations received in Form 27C from the buyer in the month of March 2026.

April 7th

Due date for deposit of Securities Transaction Tax (STT) and Commodities Transaction Tax (CTT) collected for the month of March 2026.

April 14th

Due date for the issue of TDS Certificates for tax deducted under sections 194-IA, 194-IB, 194M, and 194S in the month of February 2026.

April 15th

Quarterly statement in Form 15CC in respect of foreign remittances (to be furnished by authorised dealers) for the quarter ending March 2026.

April 30th

Due date for deposit of tax deducted by an assessee other than an office of the Government for the month of March 2026.

April 30th

Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March 2026 has been paid without the production of a challan.

April 30th

Due date for furnishing of challan-cum-statement in Form 26QB, 26QC, 26QD, and 26QE in respect of tax deducted under sections 194-IA, 194-IB, 194M, and 194S in the month of March 2026.

April 30th

Due date for deposit of TDS under sections 192, 194A, 194D, and 194H for the period January to March 2026 when the Assessing Officer has permitted quarterly deposit of TDS.

April 30th

Due date for uploading declarations received from recipients in Form 15G/15H during the quarter ending March 2026.

April 30th

Due date for e-filing of a declaration in Form 61 containing particulars of Form No. 60 received during the period October 1, 2025, to March 31, 2026.

April 30th

Intimation by a pension fund/sovereign wealth fund in respect of investments made in India for the quarter ending March 31, 2026.

Happy to enhance our footprint

Trust at the core of every relationship

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FAST / FACTS

Never miss a date

May 7th
Due date for deposit of TDS/TCS for the month of April 2026.

May 15th
Due date for issue of TDS Certificate in Form 16B, 16C, 16D, and 16E for tax deducted under sections 194-IA, 194-IB, 194M, and 194S in the month of March 2026.

May 15th
Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of April 2026 has been paid without the production of a challan.

May 15th
Quarterly statement in Form 27EQ of TCS deposited for the quarter ending March 31, 2026.

May 30th
Submission of a statement in Form 49C by a non-resident having a liaison office in India for the financial year 2025-26.

May 31st
Quarterly statement in Form 24Q, 26Q, and 27Q of TDS deposited for the quarter ending March 31, 2026.

May 31st
Return in Form 33 of tax deduction from contributions paid by the trustees of an approved superannuation fund for the financial year 2025-26.

May 31st
Due date for furnishing of statement of financial transaction (SFT) in Form 61A for the financial year 2025-26.

May 31st
Due date for e-filing of annual statement of reportable accounts in Form 61B as required to be furnished under section 285BA(1)(k) for the calendar year 2025 by reporting financial institutions.

May 31st
Application in Form 49A/49AA for allotment of PAN in case of a non-individual resident person, which enters into a financial transaction of ₹2,50,000 or more during the financial year 2025-26.

May 31st
Application in Form 49A/49AA for allotment of PAN in case of a person being a managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of the person referred to in Rule 114(3)(v).

May 31st
Statement in Form 10BD of donation received by trusts/institutions during the financial year 2025-26.

Happy to enhance our footprint

Trust at the core of every relationship

ALL YOU NEED TO KNOW ABOUT THE INCOME TAX ACT, 2025: INDIA'S BIGGEST TAX OVERHAUL

It's official. As of April 1, 2026, India's tax landscape looks fundamentally different. The Income Tax Act, 2025, has come into force, quietly pulling down the curtain on a law that had governed India's finances for over six decades: the Income Tax Act, 1961. What replaces it isn't just a cleaner document; it's a reimagined framework designed for a digital economy and a taxpayer who deserves clarity. For business leaders, this isn't a moment to wait and watch. It's a moment to act.

Why This Matters: Sixty Years in the Making

The 1961 Act served India well, but it aged ungracefully. Decades of amendments, patches, and workarounds had turned it into an unwieldy maze (over 800 sections across 47 chapters) that even seasoned tax professionals found difficult to navigate. The new Act consists of 536 sections across 23 chapters, designed to modernize India's direct tax system, simplify compliance, and reduce litigation. In plain terms: less clutter, fewer disputes, and a system that finally speaks like a human being.

The government's intent is equally clear: to build a tax regime that is predictable, trust-based, and genuinely easier to comply with. Whether it fully delivers on that promise will depend on how swiftly businesses adapt.

The Big Changes, Explained Simply

1. "Tax Year": One Term to Rule Them All

This is the single most visible change for everyday filers, and it's a welcome one. Under the old system, income earned in the "Previous Year" was assessed in the "Assessment Year," a two-year dance that confused millions of taxpayers. From April 1, 2026, the year in which you earn income is simply called the Tax Year, and you file your return within the same Tax Year. Income earned in Tax Year 2026–27 is filed and assessed within that same period.

It's a small linguistic shift with a surprisingly large practical effect, especially for first-time filers and smaller businesses that never quite understood why they were always filing for a year that had already ended.

2. The TDS Consolidation: Finally, One Place to Look

For finance teams that have spent years cross-referencing a maze of TDS sections, relief has arrived. Unlike the 1961 Act, where TDS and TCS provisions were scattered across multiple independent sections, the 2025 Act introduces a consolidated statutory structure, uniform timing principles, and standardized compliance logic. All TDS provisions are now unified under a single section.

This doesn't just make life easier for compliance teams. It also reduces the risk of inadvertent errors arising from mismatched section references across payroll systems, ERPs, and tax software.

This is precisely where a purpose-built platform makes all the difference. FASTFACTS TdsERP is an end-to-end TDS management solution built for exactly this kind of consolidation moment. Its TdsPac module handles TDS determination and e-TDS filing, generating FUV files and certificates with a direct mailing feature. The 26AS Reconciler digitally matches your books against Form 26AS (now renumbered Form 168) using advanced algorithms, so no tax credit slips through the cracks, and you never pay taxes out of pocket that weren't yours to pay. The 34A Reconciler goes a step further: it checks your expenses against filed e-TDS returns and auto-fills the clause 34(a) report for your Form 3CD tax audit, acting as a proactive shield against expense disallowances and surprise tax liabilities. And when notices do arrive, as they inevitably do during a transition, the TDS Notices Management module provides a single, TRACES-connected hub for replying, tracking, and closing them.

3. Accounting Standards: A Transition in Progress

One of the more consequential, and often misunderstood, changes concerns how taxable income is computed.

Currently, companies follow two parallel frameworks: Indian Accounting Standards (IndAS) for their financial statements and Income Computation and Disclosure Standards (ICDS) for tax purposes. These two systems are built on different philosophies and often produce different numbers for the same transaction.

A joint committee of the Ministry of Corporate Affairs and the Central Board of Direct Taxes has been proposed to integrate ICDS requirements into Indian Accounting Standards. With this integration, separate accounting requirements based on ICDS will be discontinued from the tax year 2027–28.

If implemented, this would mark the most far-reaching change to India's accounting architecture since IndAS came into force in 2016. Finance teams have a narrow window to prepare.

For companies managing large asset registers, this convergence also touches fixed-asset accounting directly, an area where clean, compliant data becomes non-negotiable. FASTFACTS WebFAMS is a comprehensive fixed asset management solution that takes care of the entire asset lifecycle, from acquisition through to sale or disposal, while simultaneously managing compliances under both the Companies Act and the Income Tax Act. With modules covering capital work-in-progress, physical verification via mobile app with RFID and QR technology, asset splits, purchase orders, and a repairs and maintenance tracker, it ensures your fixed asset records are always audit-ready, no matter which accounting standard is governing the conversation.

4. Penalties and Prosecution: More Proportionate

The new law signals a meaningful shift in how violations are treated. The enforcement posture has moved away from treating every procedural misstep as a grave offense. The maximum jail term for non-filing of ITR above ₹50 lakh of tax has been significantly reduced from seven years to two, often providing an option to pay a fine instead.

The message from the government is subtle but important: substantive violations will be pursued firmly, but honest mistakes and minor procedural lapses will no longer carry disproportionate consequences. This is good news for businesses navigating a complex transition.

5. Transactional Taxes: Some Relief, Some Pain

Not everything in the new regime is a simplification. The Securities Transaction Tax (STT) has been increased across futures and options, which will raise transaction costs for active traders and may reduce market liquidity.

On the other side of the ledger, there's genuine relief for travel and overseas spending. TCS on foreign tours has been reduced to a flat 2%, and TCS on remittances for education and medical purposes abroad has also been lowered. For companies managing international travel and education reimbursements, this translates to improved operational liquidity.

There's also a notable structural change on buybacks. Stock buybacks will now be taxed as capital gains instead of deemed dividends, a shift that impacts both promoters and retail investors and warrants a fresh look at capital allocation strategies.

6. The New Rules Book

The overhaul doesn't stop at the Act itself. The Income Tax Rules, 2026, replace the 1962 framework, reducing the total number of rules from 511 to 333 and the number of forms from 399 to 190 through consolidation and renumbering.

Concretely, this means every form number your payroll team, CA, or ERP system references has likely changed. The familiar Form 26AS, for instance, is now Form 168. Form 16 gives way to a new system-generated Form 130. These aren't just cosmetic changes; they require deliberate mapping and system updates before the first compliance deadline.

This is where payroll compliance can either quietly adapt or loudly break down. FASTFACTS PayPac is a complete payroll solution that handles everything from employee attendance and employment letter generation to EPF, ESI, professional tax, and income tax compliance—all updated in lockstep with the new rules. Its Employee Self Service portal lets employees manage their own income tax submissions, reducing the burden on HR and finance teams precisely when they have bigger transitions to worry about.

What Business Leaders Need to Do

The new Act is, at its heart, a procedural simplification. It doesn't dramatically cut taxes, and it doesn't remove the obligation to comply diligently. What it does offer is a cleaner system, one where the burden of confusion is reduced, but the burden of keeping up is entirely yours.

Here's what separates the businesses that will sail through this transition from those that won't:

- **Update your systems before your first deadline.** Accounting software, payroll systems, TDS and TCS mechanisms, and internal compliance protocols all need to reflect the new section numbers, form names, and filing timelines. For employers and payers, these changes require careful mapping of old form numbers to new ones in payroll systems, ERPs, and internal SOPs to avoid confusion after April 1, 2026. This is plumbing work, unglamorous but absolutely essential.
- **Don't wait on the ICDS transition.** The convergence of ICDS into IndAS may not hit until the tax year 2027–28, but the preparation starts now. Finance leaders should begin mapping where their tax accounting and financial reporting currently diverge so the transition doesn't arrive as a surprise.
- **Align legal, finance, and technology together.** The biggest implementation risks in statutory overhauls don't come from the law itself; they come from departments working in silos. A cross-functional task force that brings legal, finance, andtechnology to the same table is no longer optional; it's the difference between a smooth transition and a costly scramble.
- **Embrace digitalization as a strategic asset.** The government's structural push toward digital, faceless assessments is unmistakable. The new Act emphasizes faceless assessments and digital compliance systems, reducing human intervention. Businesses that invest in intelligent automation and robust digital financial management will find compliance easier and audits less disruptive. Our suite—TdsERP, WebFAMS, and PayPac—is built around exactly this philosophy: replacing manual processes with intelligent, integrated systems that keep your compliance posture strong regardless of what the regulatory environment throws at you.
- **Extend your return revision window strategically. Taxpayers.** Taxpayers now get a longer window to revise returns, with the deadline extended to March 31, though additional charges will apply for delayed submissions beyond December. Use this window wisely, not as a crutch, but as a genuine safety net for complex filings.

The Bottom Line

India's new Income Tax Act is not a revolution in tax rates or a dramatic reduction in your tax bill. What it is, done well, is a long-overdue modernization of the scaffolding around which corporate India builds its financial compliance. Simpler language, consolidated provisions, a unified accounting horizon, and a more proportionate enforcement philosophy all point in the right direction.

The businesses that treat this as just another compliance checklist will find themselves perpetually catching up. The ones that see it for what it is, a structural reset, and move early will find the new framework genuinely easier to live in. The curtain has already risen. The question is whether your house is in order.