



# **MONTHLY UPDATE CAPSULE APRIL 2026**

**R R D AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
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## Income Tax

### ITR assessment rules change from April 2026: Four key amendments

#### Key changes in Income-tax assessment (Finance Act, 2026)

##### 1. Issuance of tax notices (JAO vs faceless system)

- Reassessment notices can only be issued by the Jurisdictional Assessing Officer (JAO)
- Faceless system will handle the assessment process
- Applies retrospectively (from 2021) and prospectively (from 2026)

##### 2. DIN in tax communications

- Proceedings remain valid even if there are minor errors or omissions in quoting DIN
- Valid as long as the DIN exists and can be linked

##### 3. Time limit for completion of assessment

- Assessments must generally be completed within 12 months
- Once a draft order is issued, strict timelines under specific provisions will apply
- These rules override earlier court rulings and apply retrospectively

##### 4. Block assessment changes

- Assessment period restricted only to relevant years of undisclosed income
- Timeline now starts from date of search initiation
- Time limit extended to 18 months in certain cases

#### Key takeaway

The amendments aim to reduce litigation, clarify roles, enforce timelines, and make the assessment system more structured and consistent.

Read more at : [ITR assessment rules change from April 2026: Four key amendments explained](#)

## **Income Tax Dept launches new TRACES portal: What changes for TDS filing**

The tax department has launched an upgraded TRACES portal to improve TDS and TCS compliance in line with the new tax law effective from April 2026.

The new portal provides a single-window system for all TDS and TCS services. Users from the old portal are automatically redirected, and a separate portal is available for non-residents.

The interface has been redesigned with better navigation and a central dashboard. This allows users to download certificates, track TDS credits, access forms, and request corrections in one place. A compliance section helps users manage both current and past tax requirements.

There are also changes in TDS return forms. Form 24Q and Form 26Q have been replaced by Form 138 (for salary-related TDS) and Form 140 (for non-salary payments). Filing continues on a quarterly basis, with the aim of reducing errors and speeding up processing.

For property transactions, the payment process remains the same through Form 26QB, while the portal supports post-payment activities like downloading certificates and correcting details.

A new concept of a single “tax year” has been introduced to replace the earlier system of separate years, making compliance simpler. Additionally, certain TCS rates on overseas remittances have been reduced to 2 percent. Overall, the update is aimed at simplifying processes, improving accuracy, and making tax compliance more efficient.

Read more at : [Income Tax Dept launches new TRACES portal: What changes for TDS filing](#)

## **TCS filing made easier: Income Tax Dept brings in new Form 143, replacing 27EQ**

The tax department has introduced a new and simplified form, Form 143, for reporting Tax Collected at Source (TCS), replacing the earlier Form 27EQ from April 1, 2026. This change is part of a broader effort to simplify tax compliance and reduce errors under the updated tax

framework. Form 143 is a quarterly statement required for reporting TCS on specified transactions such as sale of goods, scrap, liquor, foreign travel, and overseas remittances.

The new form has a more structured layout, divided into basic details, tax collection information, and transaction-level data, making it easier to organise and file. It also incorporates technology features like auto-filled data, drop-down options, and real-time error checks to improve accuracy and speed. Additionally, tax components like surcharge and cess have been merged into a single column to simplify reporting.

Despite these changes, filing timelines remain the same, and the old form will still apply for the last quarter of FY 2025–26. Overall, the new format is designed to make TCS reporting more user-friendly, efficient, and less prone to errors.

Read more at : [TCS filing made easier: Income Tax Dept brings in new Form 143, replacing 27EQ](#)

## March vs April salary 2026: Which Income Tax law applies

The tax system is shifting to a new law from April 1, 2026, and this will directly impact how salary TDS is calculated for employees. The most important rule is that tax depends on the **payment date of salary**, not when it was earned.

- Salary paid on or before March 31, 2026 will be taxed under the old system
- Salary paid on or after April 1, 2026 will be taxed under the new system

This creates a short transition period where two different tax systems apply back-to-back.

Under the new framework, TDS on salary will continue to be deducted at the time of payment, following a “pay-as-you-earn” approach. A new concept of “tax year” replaces earlier terms, making compliance simpler.

From April 2026, employers must reset TDS calculations by:

- Re-estimating annual income

- Applying updated tax rules
- Adjusting deductions and exemptions

This reset can change monthly take-home salary even if the salary structure stays the same.

Investment declarations will also change. Earlier deduction sections will no longer apply in the same way and will be replaced with new provisions. Payroll systems will need updates to reflect these changes.

Overall, the key point is that salaries paid in March and April will be taxed under different systems, so employees should review payslips carefully and update their tax planning accordingly.

Read more at : [March vs April salary 2026: Which Income Tax law applies to your pay check this month?](#)

## GST & Customs

### GSTN Update: Pre-Deposit Percentage Now Editable for Appeals Filed in Form APL-01

The GST portal has introduced an important update allowing taxpayers to **edit the pre-deposit amount while filing appeals (Form APL-01)**, effective April 6, 2026.

Earlier:

- The system automatically fixed the pre-deposit at **10%** as per law
- This field was **not editable**, causing issues when:
- Payment was already made separately
- Demand amounts were incorrectly shown

Now:

- Taxpayers can **modify the pre-deposit percentage** based on their actual case
- They can **recalculate and pay the correct amount** while filing the appeal

However:

- The **appellate authority will verify** the correctness of the amount and payment method during the appeal process

#### Key takeaway:

This change adds flexibility and fixes practical problems in appeal filing, but final validation still rests with the authorities.

Read more at : [GSTN Update: Pre-Deposit Percentage Now Editable for Appeals Filed in Form APL-01](#)

### GSTN launches offline Excel-based utility to boost IMS

The GST system's Invoice Management System (IMS), introduced earlier to help taxpayers reconcile Input Tax Credit, has been further improved with the launch of an offline Excel utility

in April 2026. IMS was initially introduced as an optional tool to allow taxpayers to review invoices uploaded by suppliers and either accept, reject, or keep them pending for ITC calculation. However, its adoption remained limited because users had to process invoices individually online, making the process time-consuming.

The new offline utility addresses this issue by allowing taxpayers to download their data, take bulk actions on multiple invoices at once, and upload the updated file back to the system. This significantly reduces manual effort, improves efficiency, and enhances accuracy in ITC claims. Overall, the update is expected to make IMS more practical and user-friendly, encouraging more taxpayers to adopt it for smoother GST compliance.

Read more at : [GSTN launches offline Excel-based utility to boost Invoice Management System for greater accuracy in ITC claims; Here's how it can help](#)

## RBI

### RBI proposes one-hour delay on high-value digital transfers to curb fraud

The central bank is proposing new measures to reduce digital payment fraud by introducing controlled delays and additional safeguards.

A key proposal is to introduce a **short delay for transactions above ₹10,000**, giving users time to review and cancel payments if they suspect fraud. To avoid inconvenience, users may be allowed to **whitelist trusted beneficiaries** so that regular payments go through instantly.

Additional protections being considered include:

- Extra confirmation for high-value transactions (above ₹50,000), especially for vulnerable users, possibly involving a trusted person
- A “kill switch” feature to instantly block all digital transactions in case of suspected fraud
- Real-time monitoring by banks, with alerts and reconfirmation for suspicious transactions

Banks will also be required to:

- Build systems to support delays, cancellations, and fraud alerts
- Strengthen due diligence by linking account activity with the user’s profile
- Impose limits or checks on accounts with low verified income

Key insight:

Most frauds are now driven by human error or manipulation, and the rapid growth of digital payments has increased this risk.

Overall takeaway:

The approach shifts from purely fast transactions to safer transactions, adding small friction to prevent fraud while still allowing flexibility for genuine payments.

Read more at : [RBI proposes one-hour delay on high-value digital transfers to curb fraud](#)

## RBI tightens timelines for inward remittances, mandates faster credit

The central bank has introduced **stricter timelines and process improvements** for handling inward cross-border remittances to reduce delays in crediting funds to customers.

### Key changes

- Banks must **inform customers immediately** when an inward remittance is received
- If received after working hours, intimation must be given **at the start of the next business day**
- Banks should **credit funds on the same business day** if received during forex market hours
- If received after market hours, credit should happen **next business day**

### Operational improvements

- Banks must move from end-of-day reconciliation to **near real-time or frequent reconciliation (max 1-hour gap)** of nostro accounts
- This is to remove delays in confirming receipt of funds

### Additional measures

- Banks can implement **straight-through processing (STP)** for faster automatic credit, based on risk checks
- They are encouraged to provide **digital interfaces** for customers to:
  - Submit documents
  - Track remittances

### Why this was needed

- Major delays were happening at the **beneficiary bank stage** (after money reached India but before credit)
- The new rules aim to streamline this final step

**Key takeaway**-The focus is on **faster, same-day credit and real-time processing**, ensuring that once money reaches the bank, it is credited to the customer without unnecessary delay.

Read more at : [RBI tightens timelines for inward remittances, mandates faster credit](#)

## Company Law

### **Govt proposes to cut the number of company filings; plans to integrate MCA data with other regulatory bodies**

The government has started a consultation process to simplify corporate compliance under the Companies Act by reducing the number of forms and consolidating those with similar purposes. A key focus is to integrate data across multiple regulators such as GST, income tax, securities, banking, identity systems, and the central bank, so companies do not have to submit the same information multiple times.

The proposal also aims to modernise the filing system by using technology like automation, artificial intelligence, and pre-filled forms to reduce errors and improve efficiency. Compliance requirements may be redesigned based on the size, sector, and risk profile of companies, ensuring that smaller businesses like MSMEs and startups face a lower compliance burden.

Another major change is the expansion of Straight Through Processing, where filings are approved automatically without manual intervention. This is expected to speed up approvals and reduce delays.

Overall, the objective is to create a simpler, faster, and more integrated compliance system while maintaining proper audit trails, data integrity, and regulatory oversight. Public feedback has been invited to help shape these reforms.

Read more at : [Govt proposes to cut the number of company filings; plans to integrate MCA data with other regulatory bodies](#)

## SEBI

### Sebi to focus on capacity building of independent directors

The market regulator is planning a large-scale initiative to strengthen the role of independent directors by improving their skills and effectiveness. This comes amid ongoing discussions around corporate governance following a recent high-profile resignation.

Independent directors are expected not just to ensure compliance, but also to actively support management with accountability and problem-solving.

The focus is on **capacity building through collaboration**, rather than making training mandatory. The approach will involve industry bodies, professional institutions, and academic organisations working together.

- Key areas of development will include:
- Better understanding of business models and operational risks
- Learning from peers and real-world experiences
- Training in emerging areas like technology, sustainability, and behavioural risks
- Access to shared resources such as case studies and best practices

The initiative recognises that modern corporate governance is becoming more complex, making it difficult for directors to be experts in all areas.

Overall, the goal is to improve how governance frameworks are actually applied in practice and to strengthen the role of independent directors in safeguarding stakeholder interests, especially minority shareholders.

Read more at : [Sebi to focus on capacity building of independent directors](#)

## Miscellaneous

### **Govt notifies adoption of international valuation standards under IBC to boost investor confidence**

India has made a key change to its insolvency framework by introducing globally accepted valuation standards for all insolvency-related valuations from April 1, 2026. These standards will apply across resolution processes, liquidation, and personal guarantor cases.

The goal is to improve transparency, consistency, and credibility in asset valuation, which is critical for decision-making during insolvency. Accurate valuation helps stakeholders assess resolution plans, determine asset value, and make informed choices.

This move comes as part of efforts to strengthen investor confidence, especially as earlier valuation practices, while broadly aligned with global norms, were applied inconsistently. Adopting a single international standard is expected to make the system more reliable and comparable globally.

Additional reforms have also been introduced:

- The definition of “fair value” now includes both tangible and intangible assets, along with synergies
- Standardised valuation report formats are being introduced for better clarity and auditability
- Measures aim to reduce disputes and improve consistency across cases

There is also a proposal to ease valuation requirements for smaller companies by allowing fewer valuers in certain cases, instead of mandating multiple independent valuers.

Overall, these changes are designed to create a more transparent, efficient, and globally aligned insolvency ecosystem, improving trust among investors and stakeholders.

Read more at : [Govt notifies adoption of international valuation standards under IBC to boost investor confidence](#)

## EPFO 3.0 PF withdrawal rules: How much provident fund balance can you withdraw using ATM and UPI?

EPFO 3.0 is a major upgrade aimed at modernising the provident fund system, with full rollout expected by mid-2026. The focus is on faster, simpler, and more digital access to PF services.

A key change is the introduction of **instant PF withdrawal through UPI and ATM**, removing the need to visit offices or banks. Members may even receive dedicated cards linked to their PF accounts for ATM withdrawals.

However, withdrawals through these modes may be limited to **up to 50% of the total PF balance**, to ensure savings are preserved for future needs.

To use these features, members must:

- Have an active UAN
- Keep their mobile number active and linked
- Complete KYC with Aadhaar, PAN, and bank details

The system also aims to speed up processing by integrating with multiple banks, allowing quicker credit of PF funds.

Other major improvements include:

- Automatic settlement of PF claims
- Increase in auto-settlement limit from ₹1 lakh to ₹5 lakh
- Easier updates of personal and KYC details using OTP
- A centralised pension system for faster withdrawals

Overall, the upgrade is designed to make PF access quicker, reduce paperwork, and give employees more direct control over their funds.

Read more at : [EPFO 3.0 PF withdrawal rules: How much provident fund balance can you withdraw using ATM and UPI?](#)

## **Living Will to go digital in Maharashtra: What it means for your estate & succession plan**

Maharashtra is set to become the first state in India to maintain digital records of Living Wills through a dedicated portal integrated with the MahaULB website. A Living Will is a legal document where individuals specify their medical treatment preferences, including whether to refuse life-sustaining treatment if they become incapable of making decisions. Any adult can create one with proper witness and notarisation.

The new system allows citizens to upload their Living Wills online and book appointments for verification, while offline submissions will be digitised by designated officials. Municipal authorities will act as custodians, responsible for verifying, storing, and providing access to these documents when required by hospitals or family members.

This initiative aims to remove practical challenges and bring clarity to the use of Living Wills by offering a secure and centralised system. While not directly related to asset distribution, Living Wills play an important role in overall life planning by ensuring that an individual's medical wishes are respected and by reducing the emotional burden on families during critical situations.

Read more at : [Living Will to go digital in Maharashtra: What it means for your estate & succession plan](#)

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## SPECIALIZED INTO

- ✓ Audit & Assurance (incl. Tax Audit, Statutory Audit etc)
- ✓ Internal audit / Management audit
- ✓ ESOP Valuation SBP (Share based payment) under Ind AS
- ✓ Valuations under various laws including Companies Act and IBBI
- ✓ Implementation of IFC, Drafting SOPs, Testing controls
- ✓ Company formation and assisting clients with Regulatory compliance for setting up business in India
- ✓ Setting up of Vigil and whistle-blower mechanism
- ✓ Developing, implementing and operationalizing Business Ethics and Code of Conduct for Employees and Directors
- ✓ Tax, Regulatory and Advisory
- ✓ Accounting advisory, Book Keeping and MIS services
- ✓ Project Financing for Term Loan & Working Capital Loan
- ✓ ECB Compliances, Returns, Hedge Accounting and Certification
- ✓ Tax effective Portfolio Management / Reshuffling advisory
- ✓ Regular Attest function
- ✓ Talent pool of proficient resources to our network firms and clients

## OTHER SPECIALIZED SERVICES:

### Assurance

- ✓ Concurrent Audit
- ✓ Statutory Audit
- ✓ Stock Audit
- ✓ Forensic Audit
- ✓ Due Diligence
- ✓ Tax Audit

### Operations & Risk Consultancy

- ✓ Internal Audit
- ✓ Review of Internal Financial Control
- ✓ Drafting and assistance in SOP's
- ✓ Fraud Investigations

### Tax, Regulatory & Advisory

- ✓ Consultancy under Direct and Indirect taxation
- ✓ GST Implementation Services
- ✓ Assessment and Litigation Support
- ✓ Filing of Returns under direct and indirect taxes
- ✓ ROC Fillings Regulatory compliances
- ✓ RBI and SEBI fillings
- ✓ Supporting in 15CA and 15CB filing

### Accounting Advisory

- ✓ Assistance in drafting and preparations of Financial statement with respect to Ind-AS, IFRS, US GAAPs
- ✓ Accounts receivables / payable reconciliations
- ✓ Bank Reconciliations
- ✓ Inventory Management support
- ✓ Fixed Asset & Inventory verification
- ✓ MIS, Budgeting

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