

SEPTEMBER 2026

A photograph of a business meeting. Several people are seated around a wooden table. In the foreground, a person's hands are visible, holding a pen and pointing at a tablet displaying a green bar chart. Another person's hands are visible, holding a calculator. On the table, there are various documents, including one with a blue bar chart and another with a pie chart. A laptop on the left shows a colorful pie chart. The background is slightly blurred, showing more people in business attire.

MONTHLY UPDATE CAPSULE

**R R D AND ASSOCIATES
CHARTERED ACCOUNTANTS
CA RAKESH DAFTARY**

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Income Tax

Income Tax e-Filing Portal adds grievance facility to report corruption and harassment

Income Tax e-Filing Portal Adds Grievance Facility to Report Corruption and Harassment

New mechanism allows taxpayers to complain against alleged misconduct, corruption and harassment by Income Tax officials

The Income Tax Department has introduced a dedicated grievance mechanism on its e-Filing portal to enable taxpayers to report alleged corruption, misbehaviour, harassment and sexual harassment involving Income Tax officials. The move provides taxpayers with a more structured and accessible channel to raise serious complaints.

Under the new facility, a complainant can provide details of the concerned officer, including the officer's name and designation, along with a description of the incident. This creates a formal digital record of the complaint and gives taxpayers a defined mechanism to report inappropriate conduct.

How can taxpayers file a complaint?

Registered taxpayers can log in to the Income Tax e-Filing portal and select "Grievances" → "Submit Grievance." They can then select the relevant department, category and sub-category, provide the required information, describe the issue and upload supporting documents, where applicable.

Importantly, even individuals who are not registered on the e-Filing portal or do not have a PAN/TAN can submit a grievance through the pre-login facility after providing their basic details and completing OTP verification.

Once a complaint is submitted, the taxpayer receives a Grievance Acknowledgement Number, which can be used to track its status. The Income Tax Department also states that electronic verification is not required merely for submitting a grievance.

Why is the facility important?

The new mechanism is significant because taxpayers dealing with the Income Tax Department may sometimes face situations involving alleged misconduct or inappropriate behaviour. A dedicated online channel gives them a clearer route to formally report such incidents rather than being uncertain about where to approach.

However, the effectiveness of the facility will ultimately depend on how complaints are investigated and resolved. Genuine complaints need to be examined fairly and objectively, while taxpayers making bona fide complaints should have adequate protection against victimisation or adverse action. Confidentiality and timely action will also be important for building confidence in the system.

Read More at: [Income Tax e-Filing Portal adds grievance facility to report corruption and harassment](#)

Income Tax Rules 2026 amended: CBDT revises Form 169, Form 171; extends these deadlines

The Central Board of Direct Taxes (CBDT) has notified the Income-tax (Fourth Amendment) Rules, 2026, bringing several changes to the Income-tax Rules, 2026. The amendments mainly relate to electronic communication, tax recovery proceedings, and registration of valuers and authorised income-tax practitioners. Some changes apply retrospectively from 1 April 2026, while others came into effect from 17 September 2026, the date of notification.

One of the changes concerns electronic communication under Rule 176. The wording relating to communications being made “by affixing digital signature” has been replaced with “by way of an electronic communication”. This updates the rules to provide for a broader electronic mode of communication.

The CBDT has also amended Rule 225, which deals with tax recovery proceedings. Certain provisions relating to arrest and detention have been omitted from the tax recovery rules. This change applies retrospectively from 1 April 2026.

Another important change is the extension of the registration deadline for valuers. Under Rule 246, the earlier deadline of 30 September 2026 has been extended to 31 March 2027. This gives applicants an additional six months to complete the registration process.

A similar extension has been provided for authorised income-tax practitioners under Rule 256. Their registration deadline has also been extended from 30 September 2026 to 31 March 2027. The extension provides additional time for eligible professionals to complete the required registration formalities.

The article also highlights the tax audit deadline for FY 2026–27. For taxpayers covered under Section 44AB of the Income-tax Act, 1961, the specified tax audit must be completed and the tax audit report uploaded to the income-tax e-filing system. The deadline mentioned in the article is 30 September 2026. Income-tax audits under Section 44AB are conducted by Chartered Accountants.

Read more at: [Income Tax Rules 2026 amended: CBDT revises Form 169, Form 171; extends these deadlines](#)

CBDT eases TDS compliance for property buyers dealing with non-residents

The Central Board of Direct Taxes (CBDT) has introduced measures to simplify Tax Deducted at Source (TDS) compliance for resident individuals and Hindu Undivided Families (HUFs) purchasing immovable property from non-residents.

Under the existing provisions, buyers making payments to non-resident sellers are required to comply with TDS provisions and obtain a separate Tax Deduction Account Number (TAN). This additional requirement can create administrative difficulties, particularly because property purchases are generally one-time transactions.

To reduce this compliance burden, the CBDT has introduced a simplified procedure effective 1 October 2026. Eligible property buyers will no longer need to obtain a separate TAN for

such transactions. Instead, they can use their Permanent Account Number (PAN) for depositing and reporting the TDS.

The new procedure will use Form 141, a PAN-based challan-cum-statement, for reporting the transaction and depositing the applicable TDS. This is intended to make the compliance process simpler and reduce the paperwork involved for property buyers.

The change is particularly relevant for resident individuals and HUFs who purchase property from non-resident sellers, as it removes the need to obtain and maintain a separate TAN for the transaction.

Read more at: [CBDT eases TDS compliance for property buyers dealing with non-residents](#)

Income Tax return deadline extended to November 21 for audited taxpayers

The CBDT has extended the Income Tax Return (ITR) filing deadline for taxpayers whose accounts are subject to tax audit for AY 2026–27 by 21 days.

- ITR filing deadline: Extended from 31 October 2026 to 21 November 2026.
- Tax audit report deadline: Extended from 30 September to 21 October 2026.
- The extension was given because taxpayers and professionals needed additional time for tax audits and reconciliation of income-tax, GST and accounting data.
- Salaried taxpayers and businesses not requiring audit are not covered by this extension; their earlier deadlines remain applicable.

Read more at: [Income Tax return deadline extended to November 21 for audited taxpayers](#)

GST & Customs

Enabling Filing of Appeals in Cases Involving NIL or Zero Demand Amount – reg.

In cases where a dispute regarding liability exists but the demand amount is reflected as "NIL" or "Zero" in the demand order, and payment has been made by the taxpayer prior to the issuance of the demand order, the previous validation restricting the filing of an appeal against such demand orders has been removed from the GST Portal. Accordingly, taxpayers are now enabled to file an appeal in Form GST APL-01 against demand orders reflecting a NIL or Zero demand amount.

Taxpayers facing the above issue may now file an appeal in Form GST APL-01 against such demand orders.

Read more at: [Enabling Filing of Appeals in Cases Involving NIL or Zero Demand Amount – reg.](#)

Advisory on use of version 3.3 of emSigner

GSTN has introduced emSigner Version 3.3 to support new Digital Signature Certificate (DSC) USB tokens issued on or after 21 September 2026.

Users with existing DSCs that are working properly can continue using their current emSigner version. However, users receiving a new or renewed DSC with a new USB token must upgrade to emSigner 3.3, as older versions will not support these tokens.

The new version requires a 64-bit system, at least 8 GB RAM, and Java 1.8. Existing DSCs on FIPS 140-2 tokens remain valid until expiry, while future renewals will generally require FIPS 140-3 tokens.

Read more at: [Advisory on use of version 3.3 of emSigner](#)

Miscellaneous

Demat 2.0 explained: Why it matters for bond market investors

SEBI launches pilot to tokenise corporate bonds and enable faster, simultaneous settlement

The Securities and Exchange Board of India (SEBI) has launched “Demat 2.0”, a pilot project aimed at changing the way corporate bonds are issued, held and settled in India. The initiative uses Distributed Ledger Technology (DLT) and is linked with the Reserve Bank of India’s wholesale Central Bank Digital Currency (CBDC), or e-rupee.

What is Demat 2.0?

Under the new system, corporate bonds are represented as digital tokens on a distributed ledger. The technology creates a common digital record of bond ownership and transactions.

The key feature is “atomic settlement”, under which the bond and the corresponding money are transferred at the same time. In the traditional system, there can be a time gap between payment and receipt of securities. Demat 2.0 aims to eliminate this gap, thereby reducing settlement risk.

Faster access to money

For investors, one of the major advantages could be faster access to funds after selling bonds in the secondary market. SEBI says that under the new infrastructure, funds can be received immediately, compared with the earlier process in which settlement generally took around two to three days.

The system can also automate interest and redemption payments. Smart contracts can trigger payments on their due dates, with e-rupee payments potentially reaching the investor's CBDC wallet automatically.

₹1,025 crore raised through the pilot

The first phase of the pilot has already seen participation from three issuers. REC raised ₹500 crore, L&T raised ₹500 crore and IIFL raised ₹25 crore, taking the total to ₹1,025 crore.

What does it mean for retail investors?

At present, Demat 2.0 is still a pilot and is not a replacement for the existing demat system. The first phase focuses on issuance of tokenised corporate bonds. Future phases are expected to bring secondary-market buying and selling and, subsequently, wider access for retail investors.

Importantly, investors will continue to use the existing demat account and depository framework; Demat 2.0 represents a technological change rather than the creation of a new type of bond.

Why does it matter?

Demat 2.0 could make the corporate bond market faster, more automated and more efficient. Instant settlement can reduce settlement risk, while smart contracts can simplify interest and redemption payments.

However, the system is still at the pilot stage. Its wider impact will depend on the successful introduction of secondary-market trading, regulatory readiness and eventual expansion to retail investors.

Read More at: [Demat 2.0 explained: Why it matters for bond market investors](#)

Cabinet Approves Setting Rs 25,000/Month As New Salary Ceiling For PF Deduction

The Union Cabinet has approved increasing the monthly wage ceiling for mandatory EPF/EPFO coverage from ₹15,000 to ₹25,000. The change is expected to bring more than 51 lakh additional employees under mandatory EPFO social-security coverage.

Under the existing ₹15,000 ceiling, the mandatory employee PF contribution is 12% = ₹1,800 per month. With the proposed ₹25,000 ceiling, this would become ₹3,000 per month, an

increase of ₹1,200 per month or ₹14,400 per year for employees whose contributions were previously capped at ₹15,000. The employer's contribution would also increase correspondingly.

The move will expand access to EPF savings, pension and related social-security benefits, particularly for employees earning between ₹15,000 and ₹25,000 per month. However, employees affected by the higher mandatory contribution may see a reduction in monthly take-home salary, while their retirement savings increase.

Read more at: [Cabinet Approves Setting Rs 25,000/Month As New Salary Ceiling For PF Deduction](#)

SIM card misuse can attract ₹50 lakh fine, 3-year jail: DoT warns users, here's what you should check

The Department of Telecommunications (DoT) has warned users that fraudulent SIM issuance, misuse of telecom identifiers, and IMEI tampering can lead to up to 3 years' imprisonment and a fine of up to ₹50 lakh under the Telecommunications Act, 2023.

Users should:

- Not share, sell, rent or transfer SIM cards registered in their name.
- Avoid obtaining SIMs through fake documents, fraud or impersonation.
- Avoid using SIMs as "mule SIMs" for cybercrime.
- Not tamper with IMEI numbers or other telecom identifiers.
- Regularly check which mobile numbers are registered in their name.

The DoT has advised citizens to use the Sanchar Saathi portal/app to identify unknown or unnecessary connections and verify their mobile handsets.

Read more at: [SIM card misuse can attract ₹50 lakh fine, 3-year jail: DoT warns users, here's what you should check](#)

Centre expects all states to publish labour code rules by October 31

The Central Government expects all States and Union Territories to publish their rules for implementing the four new Labour Codes by October 31, 2026. The move is aimed at ensuring uniform and effective implementation of the new labour framework across the country.

The four Labour Codes consolidate 29 existing labour laws into a simplified framework covering key areas such as wages, industrial relations, social security, and occupational safety, health and working conditions. The Codes are intended to simplify labour regulations, improve compliance, and provide greater social security and protection to workers.

According to the Centre, 10 States and Union Territories have already published their final rules, while several others have issued draft rules and are in the process of finalising them after receiving feedback from stakeholders. The Central Government is coordinating with the States to ensure that the remaining rules are notified within the expected timeline.

The Government is also working on a national floor wage, which is expected to provide a minimum benchmark for wages across the country. Further, the Labour Ministry plans to issue Frequently Asked Questions (FAQs) to address doubts and clarify various aspects of the Labour Codes and their implementation.

The implementation of these Codes is expected to bring greater consistency to labour laws, reduce the complexity of multiple regulations, and create a more streamlined compliance system for employers while strengthening protections and benefits for workers.

Read more at: [Centre expects all states to publish labour code rules by October 31](#)

R R D AND ASSOCIATES



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WHAT WE SERVE



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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