

2026 EDITION SERIES • FORTS OF CHHATRAPATI SHIVAJI MAHARAJ

Pratapgad Fort

Raised in 1656 above the Koyna valley near Mahabaleshwar, Pratapgad commands the ghats it was built to guard — the site of the decisive engagement of 1659. Built to watch the passes, much as this bulletin watches the month's changes.

Regulatory Updates • August 2026

August brought a busy run of regulatory change, and a couple of this month's items reach well beyond the finance team into the boardroom. Here is what mattered across **Income Tax, Labour, Data Protection, GST, MCA, RBI/FEMA and ICAI** — written for management and the Board, with each item saying plainly who it affects, what to do, and by when. It is a short read, and worth the ten minutes.

Authored by the PGB LLP Technical Desk

This edition: **11** updates across **7** authorities

"The greatest obstacle to discovery is not ignorance — it is the illusion of knowledge."

— FROM THE WATCHTOWER — READ THIS FIRST

Two reforms now reshape cost and risk at Board level, and filing season is in full swing.

Short on time? These four are the ones to read. Everything else is grouped by authority overleaf — and we have noted every domain we checked this month, so you can see what was quiet as well as what moved.

LABOUR • ALL EMPLOYERS

The four Labour Codes are now in force

Central Rules were notified on 8 May. The 50%-of-CTC "wages" floor lifts PF, gratuity and bonus costs and can cut take-home. Appointment letters and grievance committees are now expected.

Model the payroll impact now

DATA PROTECTION • EVERY ENTITY

The DPDP clock is running — a Board risk

The Data Protection Board is live and penalties reach ₹250 crore per violation. Consent-Manager regime lands ~13 Nov 2026; full compliance by 13 May 2027. 2026 is the build-and-test year.

Start data-mapping this quarter

INCOME TAX • AUDIT CASES

Tax-audit report due 30 September

For accounts liable to audit u/s 44AB, Form 3CA/3CB + 3CD is due 30 Sep and the audit-case ITR on 31 Oct. Advance-tax Q2 falls on 15 Sep.

Report by 30 Sep 2026

MCA + INCOME TAX

CCFS-2026 window extended to 15 September

A late reprieve: Circular 04/2026 (31 Aug) extends the ROC-filing amnesty to 15 Sep, at 10% of additional fees. Separately, the non-audit ITR-3/ITR-4 window did close on 31 Aug — file belated now.

CCFS by 15 Sep 2026

— IN THIS EDITION

Eleven updates across seven authorities, tagged by how much each needs from you. **Tap any line to jump to that update.**

JUMP TO

Income Tax

Labour

Data Protection

MCA

RBI / FEMA

ICAI

GST

Calendar

INCOME TAX • CBDT

1 Tax-audit season — Form 3CD due 30 Sep; audit-case ITR 31 Oct

ACTION

2	ITR-3 / ITR-4 (non-audit) filing window closed on 31 August	ACTION
3	Foreign-asset disclosure window (FAST-DS) – one-time scheme, open to 31 Dec 2026	ADVISORY
4	Income-tax Act, 2025 in force – FY 2025-26 is the last year under the 1961 Act	INFO
LABOUR · MoLE		
5	The four Labour Codes are in force – Central Rules notified; pay & PF impact	ACTION
DATA PROTECTION · MeitY		
6	DPDP Act & Rules – Board live, ₹250 cr penalties, phased deadlines to May 2027	ACTION
MCA		
7	CCFS-2026 extended to 15 September – one final window at 10% additional fees	ACTION
RBI · FEMA · DGFT		
8	DGFT widens rupee (INR) invoicing of exports – Notification 30/2026-27	ADVISORY
9	Consolidated FEM Export & Import Regulations, 2026 take effect 1 October	ADVISORY
ICAI		
10	Guidance Note on Tax Audit u/s 44AB (Revised 2026) released – 11th edition	ADVISORY
GSTN		
11	e-Way Bill "Ship-To GSTIN" & closure changes remain in abeyance	ADVISORY

ACTION

TAX-AUDIT SEASON · AY 2026-27

1 Tax-audit season is on — report due 30 September, audit ITR 31 October

REPORT BY
30 Sep 2026

APPLIES TO Assessee liable to audit u/s 44AB (turnover / receipts above the prescribed thresholds).

— THE DATES THAT MATTER

- ◆ Tax-audit report (Form 3CA/3CB with Form 3CD): **30 September 2026**.
- ◆ ITR for audit cases: 31 October 2026; transfer-pricing cases: 30 November 2026.
- ◆ Advance-tax second instalment (45%): 15 September 2026 — the filing extension does **not** extend advance-tax dates; Section 234B/234C interest runs regardless.

— WHAT YOU SHOULD DO

- Line up books, GST and TDS reconciliations and Form 26AS/AIS now; don't leave 3CD clause work to late September.
- Confirm whether the audit threshold is crossed (₹1 crore, or ₹10 crore where 95%+ receipts/payments are digital; ₹50 lakh for specified professions).

Source: incometax.gov.in

Statutory due dates under the Income-tax Act for AY 2026-27.

ACTION

ITR FILING · AY 2026-27

2 ITR-3 / ITR-4 (non-audit) filing window closed on 31 August

CLOSED
31 Aug 2026

APPLIES TO Business and professional filers not liable to tax audit (ITR-3 / ITR-4).

— WHAT CHANGED

- ◆ For AY 2026-27 the non-audit ITR-3/ITR-4 due date is **31 August** (a month after 31 July for ITR-1/ITR-2) — a permanent shift under the Finance Act, 2026, not extended further this year. Both windows have now passed.

— WHAT YOU SHOULD DO

- Missed your date? File a belated return u/s 139(4) by 31 Dec 2026 — with a Section 234F fee (₹1,000 / ₹5,000) and Section 234A interest on unpaid tax.
- Note the cost beyond the fee: a belated return cannot carry forward business or capital losses (house-property loss excepted). A revised return remains open to 31 Mar 2027.

Source: incometax.gov.in

Non-audit ITR-3/ITR-4 due date 31 August 2026 (permanent, Finance Act 2026) · not extended for AY 2026-27.

3 A one-time window to disclose small foreign assets — open to 31 December

DECLARE BY
31 Dec 2026

APPLIES TO Individual taxpayers — including promoters, directors and senior management — holding eligible undisclosed foreign assets or income.

— WHAT CHANGED

- ◆ CBDT has notified the **Foreign Assets of Small Taxpayers – Disclosure Scheme Rules, 2026** (FAST-DS) under Chapter IV of the Finance Act, 2026 — Notification 114/2026 dated 14 August, in force **16 August 2026**. It is a one-time voluntary window to declare undisclosed foreign assets and income, carrying immunity from prosecution and from the Black Money Act, 2015 for what is declared.
- ◆ Two brackets, valued as at 31 March 2026: aggregate undisclosed foreign asset and income **up to ₹1 crore** — 30% tax plus an equal amount (effectively 60%); and specified foreign assets **up to ₹5 crore** acquired from taxed income or while non-resident but left unreported — a **flat fee of ₹1 lakh**, with no tax or penalty.
- ◆ Declarations are electronic (Form 1) and must be filed by 31 December 2026; payment follows a determination order, within two months (a further two months carry 1% monthly interest).

— WHAT YOU SHOULD DO

- Promoters, directors and senior staff with foreign holdings never reported in the ITR foreign-asset schedule should assess eligibility now — the window is short and closes 31 December 2026.
- The scheme is unavailable once a Black Money Act assessment for the relevant year is complete; take advice before filing.

Source: incometax.gov.in — **CBDT Notification 114/2026**

Foreign Assets of Small Taxpayers – Disclosure Scheme Rules, 2026 · Notification 114/2026 dated 14 Aug 2026 · in force 16 Aug 2026 · window to 31 Dec 2026.

4 Income-tax Act, 2025 is in force — this is the last year under the 1961 Act

IN FORCE
1 Apr 2026

APPLIES TO All taxpayers — a structural change to plan for, not act on today.

— WHAT CHANGED

- ◆ The **Income-tax Act, 2025** came into force with effect from 1 April 2026, alongside the **Income-tax Rules, 2026**.
- ◆ FY 2025-26 (AY 2026-27) — the returns being filed now — is the **concluding year assessed under the Income-tax Act, 1961**.
- ◆ From next year the Act replaces "Previous Year" and "Assessment Year" with a single **"Tax Year"**, and returns move to the new Act and Rules.

— WHAT YOU SHOULD DO

- Nothing changes for this filing season. Begin familiarising your teams with the 2025 Act and 2026 Rules for the year ahead; we will carry practical guidance in coming editions.

Source: incometax.gov.in

Income-tax Act, 2025 & Income-tax Rules, 2026 · effective 1 April 2026.

ACTION · HIGH IMPACT

FOUR LABOUR CODES + CENTRAL RULES, 2026

5 The four Labour Codes are in force — and the Central Rules are now notified

RULES NOTIFIED
8 May 2026

APPLIES TO All employers. Central-sphere establishments (banking, insurance, telecom, mines, ports, railways, central PSUs) are covered now; others as respective State Rules are notified.

— WHAT CHANGED

- ◆ The four Codes — **Code on Wages, 2019; Industrial Relations Code, 2020; Code on Social Security, 2020; and the OSH & Working Conditions Code, 2020** — consolidating 29 earlier laws, took effect on 21 November 2025. The Central Rules under all four were notified on **8 May 2026**.
- ◆ The statutory definition of "wages" is **floored at 50% of total remuneration** — this recomputes PF, gratuity, bonus and leave-encashment, and can reduce take-home pay.
- ◆ New/expanded obligations: written appointment letters, grievance and internal committees, annual health check-ups, provisions for women employees, and social-security coverage extended to gig and platform workers.

— WHAT YOU SHOULD DO

- Model the payroll-cost impact of the 50% wages floor — higher PF/gratuity provisioning is the headline number for the Board.
- Review and reissue salary structures and appointment letters; stand up the required committees; confirm which Code obligations bite now (central sphere) versus on State Rule notification (several states still pending).

BOTTOM LINE

A structural payroll-cost and governance change — Boards should ask to see the provisioning impact modelled before the next pay cycle.

Source: labour.gov.in — Ministry of Labour & Employment

Codes effective 21 Nov 2025 · Central Rules notified 8 May 2026 · State Rules rolling out.

ACTION · BOARD RISK

DPDP ACT, 2023 + DPDP RULES, 2025

6 The DPDP regime is live — a Board-level data-protection clock with ₹250 crore teeth

FULL COMPLIANCE

13 May 2027

APPLIES TO Every entity that processes the digital personal data of individuals in India — customers, employees and applicants alike, regardless of size.

— WHERE THIS STANDS

- ◆ The DPDP Rules, 2025 were notified on 13 November 2025, operationalising the DPDP Act, 2023. The **Data Protection Board of India is constituted and functioning**, with inquiry and penalty powers.
- ◆ Penalties run up to **₹250 crore per violation** (₹200 cr for breach-notification or children's-data failures; ₹150 cr for Significant Data Fiduciary failures; ₹50 cr general) — and they stack per violation. Consent is the primary basis; there is no "legitimate interest" ground.
- ◆ Phased dates: Consent-Manager registration regime around **13 November 2026**; full substantive compliance by **13 May 2027**. A MeitY proposal (Jan 2026) may compress this to 12 months for Significant Data Fiduciaries — track it.

— WHAT YOU SHOULD DO

- Treat 2026 as the build-and-test year. Map personal-data flows; fix privacy notices and consent capture; appoint a Grievance Officer (and a DPO if likely to be an SDF).
- Tighten security safeguards and breach-response; review data-processor and vendor contracts for DPDP terms.

BOTTOM LINE

Not a 2027 problem: the regulator exists now and the penalty exposure is nine-figure. This belongs on the audit-committee risk register this year.

Source: meity.gov.in — DPDP

DPDP Rules, 2025 notified 13 Nov 2025 · phased to 13 May 2027 · Data Protection Board operational.

ACTION · RELIEF

CCFS-2026 · WINDOW EXTENDED

7 Companies Compliance Facilitation Scheme extended to 15 September

FILE BY

15 Sep 2026

APPLIES TO Companies that had pending ROC filings and used (or missed) the concessional window.

— WHAT CHANGED

- ◆ CCFS-2026 — which lets companies clear pending ROC filings at just **10% of the additional fees** (a 90% saving) — has been **extended to 15 September 2026** by MCA General Circular No. 04/2026 dated 31 August 2026, following stakeholder representations. All other terms are unchanged.
- ◆ The scheme originally ran to 15 July, was extended to 31 August, and now runs to 15 September. Forms covered include the AOC-4 series, MGT-7/7A, ADT-1, FC-3 and FC-4.

— WHAT YOU SHOULD DO

- If you have pending ROC filings, use the extended window — file by 15 September 2026 to pay only 10% of the additional fee. After that, the normal ₹100/day (uncapped) applies.

Source: mca.gov.in — **General Circular 04/2026**

CCFS-2026 (GC 01/2026) · extended by GC 04/2026 dated 31 Aug 2026 · now open to 15 September 2026 · terms unchanged.

ADVISORY

DGFT NOTIFICATION 30/2026-27

8 Rupee (INR) invoicing of exports widened — and now counts for FTP benefits

DATED
20 Aug 2026

APPLIES TO Exporters — especially those trading with countries outside the Asian Clearing Union (ACU).

— WHAT CHANGED

- ◆ DGFT amended the Foreign Trade Policy 2023 (paras 2.52 & 2.53) to align it with the FEM (Manner of Receipt & Payment) Regulations, 2023.
- ◆ For **non-ACU countries**, export contracts and invoices may now be denominated in **Indian rupees or foreign currency**, and proceeds realised in either.
- ◆ Crucially, eligible INR realisations through approved banking channels now count for **FTP benefits and fulfilment of export obligations** (Advance Authorisation, DFIA, EPCG) — earlier largely limited to foreign-currency receipts.

— WHAT YOU SHOULD DO

- Exporters open to rupee settlement (via Special Rupee Vostro Accounts) can revisit contracts without fear of losing scheme benefits. Confirm banking-channel and documentation requirements with your AD bank.

Source: dgft.gov.in — **Notification 30/2026-27**

DGFT Notification No. 30/2026-27 dated 20 August 2026 • FTP 2023 paras 2.52 & 2.53.

ADVISORY • UPCOMING

FEM (EXPORT & IMPORT) REGULATIONS, 2026

9 Consolidated FEM Export & Import Regulations take effect 1 October

EFFECTIVE
1 Oct 2026

APPLIES TO Exporters and importers and their AD banks.

— WHAT TO PREPARE FOR

- ◆ The consolidated FEM (Export & Import of Goods and Services) Regulations, 2026 — flagged in our July edition — come into effect on **1 October 2026**, drawing the export and import rules into a single, updated framework (including the shorter nine-month realisation window).

— WHAT YOU SHOULD DO

- Review realisation-period tracking and EDPMS/IDPMS follow-up before 1 October; brief finance teams on the consolidated rules. We will summarise the final text once notified.

Source: rbi.org.in — **FEMA notifications**

FEM (Export & Import of Goods and Services) Regulations, 2026 • effective 1 October 2026.

ADVISORY

DIRECT TAXES COMMITTEE

10 Guidance Note on Tax Audit u/s 44AB (Revised 2026) released

EDITION
11th

APPLIES TO Chartered Accountants conducting tax audits; useful context for audited entities and their audit committees.

— WHAT CHANGED

- ◆ ICAI's Direct Taxes Committee has released the **eleventh edition** of the Guidance Note on Tax Audit under Section 44AB, revised for 2026 — the authoritative, clause-by-clause manual for Form 3CD reporting.
- ◆ It incorporates Finance Act, 2026 amendments and newer reporting themes — the Digital Personal Data Protection Act, 2023, Virtual Digital Assets, carbon credits, updated ethical guidance and recent judicial positions.
- ◆ It is expressly the **concluding edition under the Income-tax Act, 1961**; ICAI will issue fresh guidance under the Income-tax Act, 2025 in due course.

— WHAT YOU SHOULD DO

- Engagement teams should adopt the Revised 2026 Note for this audit season and update 3CD working papers and checklists to its positions.

Source: [icaai.org](https://www.icaai.org) — **Direct Taxes Committee**

Guidance Note on Tax Audit u/s 44AB (Revised 2026), 11th edition · released August 2026.

ADVISORY · HOLD

GSTN ADVISORY 668

11 e-Way Bill "Ship-To GSTIN" & voluntary-closure changes remain in abeyance

STATUS
On hold

APPLIES TO All e-Way Bill users; GSPs, ERP and API integrators.

— WHERE THIS STANDS

- ◆ The mandatory Ship-To GSTIN capture and voluntary e-Way Bill closure — once set for 1 August 2026 — were **kept in abeyance** by GSTN Advisory 668 dated 29 July 2026, and the earlier advisories withdrawn. As of end-August, **no revised go-live date** has been notified.

— WHAT YOU SHOULD DO

- Do not change production systems or make Ship-To GSTIN mandatory yet. Keep ERP/API work tested and ready so you can switch on quickly when a fresh date is announced.

Source: [gst.gov.in](https://www.gst.gov.in) — **GSTN advisories**

GSTN Advisory No. 668 dated 29 July 2026 · enhancements kept on hold until further notice.

— ALSO ON OUR RADAR

Live obligations with no fresh change this month — captured so nothing is missed, not repeated at length.

Environment • EPR (plastic packaging). The Plastic Waste Management (Amendment) Rules, 2026 (31 Mar 2026) tightened EPR — recycled-content targets, reuse obligations and withdrawal of end-of-life certificates; CPCB is issuing environmental-compensation notices. **PRODUCERS, IMPORTERS & BRAND-OWNERS USING PLASTIC PACKAGING.**

SEBI • BRSR & LODR. BRSR Core assurance is mandatory for the top 500 listed entities for FY 2025-26; the LODR Master Circular is consolidated to 30 Jan 2026 and the 2026 LODR amendments restructured the HVDLE regime. **LISTED ENTITIES AND THEIR AUDIT COMMITTEES.**

— ON YOUR CALENDAR

Dated actions to watch

○ Passed • 31 Aug	ITR-3/ITR-4 (non-audit) filing window closed. INCOME TAX FILE A BELATED RETURN NOW
○ 15 Sep 2026	Advance tax — second instalment (45% of estimated liability). INCOME TAX ALL TAXPAYERS WITH ADVANCE-TAX LIABILITY
○ 15 Sep 2026	CCFS-2026 amnesty closes — extended from 31 Aug; last window at 10% additional fees. MCA COMPANIES WITH PENDING ROC FILINGS
○ 30 Sep 2026	Tax-audit report (Form 3CA/3CB + 3CD) due for AY 2026-27. INCOME TAX ASSESSEES LIABLE TO AUDIT U/S 44AB
○ 1 Oct 2026	Consolidated FEM (Export & Import of Goods and Services) Regulations, 2026 take effect. FEMA EXPORTERS & IMPORTERS
○ 31 Oct 2026	ITR for audit cases due (transfer-pricing cases: 30 Nov 2026). INCOME TAX AUDIT-CASE ASSESSEES
○ ~13 Nov 2026	DPDP Consent-Manager registration regime expected to arrive. DATA PROTECTION DATA FIDUCIARIES — BUILD & TEST IN 2026
○ 31 Dec 2026	FAST-DS foreign-asset disclosure window closes (Form 1). INCOME TAX INDIVIDUALS WITH ELIGIBLE UNDISCLOSED FOREIGN ASSETS
○ Horizon • 13 May 2027	DPDP full substantive compliance (notice, consent, security, breach reporting, rights). DATA PROTECTION EVERY DATA FIDUCIARY

Thank you.

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