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APRIL





2026



SAMĀCĀRA – APRIL 2026

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SAMĀCĀRA – APRIL 2026

EDITORIAL

Dear All,

The dawn of April marks not merely the beginning of a new financial year, but the commencement of a transformed regulatory landscape. As we step into Financial Year 2026–27, we do so by bearing renewed responsibilities, navigating evolving legislation, and responding to a dynamic global environment that demands both awareness and adaptability.

I. A New Legislative Era – Finance Act, 2026 & the Income-tax Act, 2025

The enactment of the Finance Act, 2026, along with the operationalization of the Income-tax Act, 2025 with effect from 1st April 2026, represents a defining shift in India’s direct tax framework. This transition is not a routine legislative amendment – it is a structural and conceptual evolution.

The new statute endeavors to simplify language, rationalise provisions, and align taxation with the realities of a modern economy. However, with simplification comes the imperative of deeper interpretation. As professionals, we must now:

- Develop a comparative understanding of the erstwhile Income-tax Act, 1961 vis-à-vis the new regime, identifying continuities, modifications, and departures;
- Reassess existing tax positions, structures, and compliance frameworks in light of the transitional provisions; and

- Guide our clients through the interpretational nuances and implications arising from this legislative change.

The months ahead will not merely test the depth of our knowledge – they will test our capacity to unlearn established positions, relearn with an open mind, and apply with precision and professional judgement.

II Global Developments – Navigating a Climate of Economic Sensitivity

The recent escalation of geopolitical tensions involving the United States, Iran, and Israel has introduced a new dimension of uncertainty into an already complex global environment. These developments carry implications that extend well beyond political boundaries and into the realm of macroeconomic stability.

For India, the key areas of concern include:

- Heightened volatility in crude oil prices, with consequent pressure on inflation and fiscal planning;
- Currency fluctuations and increased sensitivity in capital markets; and
- Disruptions to supply chains and a cautious global investment sentiment.

Yet, India continues to demonstrate resilience, underpinned by robust domestic consumption, policy continuity, and infrastructure-led growth. In such times, the role of Chartered Accountants extends beyond compliance – we must assist our clients in navigating economic uncertainty with informed strategy, measured prudence, and a long-term perspective.

III. GST Collections – March 2026: Closing the Year on a Note of Strength

The GST collections for March 2026 carry particular significance, as they reflect the economic momentum at the close of the financial year. March, by its nature, witnesses a surge in collections on account of year-end reconciliations, compliance closures, and settlement of outstanding liabilities – and this year has proven no exception.

The buoyancy in collections is indicative of several encouraging trends:

- Strong underlying consumption demand across sectors;
- Improved compliance discipline among the taxpaying base;
- Increased effectiveness of technology-driven audit and monitoring systems; and
- Continued formalisation of the broader economy.

At the same time, the March cycle reinforces the imperative of accuracy and completeness in reporting. Reconciliation of GSTR-1, GSTR-3B, and books of accounts, verification of input tax credit, and timely responses to system-generated notices remain critical disciplines. GST today functions as a near real-time validation mechanism – one in which consistency and correctness are as important as compliance itself.

IV. SPCM Initiative – Announcement of the 7th E-Book

It is with great pleasure that I announce the commencement of SPCM’s 7th E-Book initiative, titled:

“Forks in the Road: Life is What We Choose”

This theme captures the essence of both our professional and personal journeys – where decisions define direction, and the choices we make, however small, shape the course of our lives and careers. I warmly encourage each of you – partners, associates, and students alike – to actively contribute your thoughts, experiences, and reflections to make this endeavour truly meaningful.

Let this publication be not merely a compilation of words, but a living reflection of our collective wisdom and shared experiences.

V. The New Financial Year – New Challenges, New Opportunities

Every new year carries with it a dual promise – of challenges that test our resolve, and opportunities that expand our capability.

As we step into FY 2026–27:

- The regulatory framework is evolving at an unprecedented pace;
- Client expectations are growing in scope and sophistication; and
- The profession itself is becoming increasingly analytical, technology-driven, and advisory in character.

In this environment, enduring success will belong to those who remain continuously updated, think with strategic clarity, and act with integrity, discipline, and professional commitment.

I also pause with a heavy heart to remember Shri Omprakash ji Ranka...a profound personal and professional loss. He was a man of exceptional vision – a true dreamer who believed in transcending boundaries and possessed the quiet courage to meet every challenge with grace and resolve.

To many, he was a guiding, fatherly presence – a source of strength, wisdom, and unwavering support. To me, he was far more than a colleague – he was a confidant whose very presence brought comfort and confidence. What distinguished him most was the largeness of his heart: he never believed in limiting relationships. For him, every member of Ranka Jewellers was not merely an employee, but a cherished part of the extended Ranka Parivar.

His legacy endures – in the values he embodied, the lives he enriched, and the dreams he dared to inspire. May his soul rest in eternal peace.

Closing Thoughts

April is not simply the beginning of a financial year – it is a reminder that growth lies in embracing transition. Laws will change, the environment will evolve, and challenges will emerge. But through all of this, our core values must remain constant: excellence in service, rigour in practice, and integrity in conduct.

As a Firm, let us continue to uphold these standards – nurturing knowledge, strengthening our collective capability, and serving our clients with clarity, conviction, and the highest degree of professional care.

I extend my warmest wishes to all partners, associates, and students for a purposeful, progressive, and rewarding Financial Year 2026–27.

Thanking You,

With Warm Regards,



CA. Suhas P. Bora
Founder Partner,
SPCM and Associates,
Chartered Accountants

LOSS OF A GUIDING LIGHT – SHRI OMPRAKASHJI RANKA

There are certain relationships in life that transcend all definition — relationships that no word, whether mentor, elder, or well-wisher, can adequately capture. The passing of Shri Omprakashji Ranka is one such moment of profound grief — a moment where language itself feels unequal to the void left behind.

Omprakashji was not merely an individual; he was an institution unto himself. A guiding light whose wisdom, experience, and remarkable clarity shaped countless decisions and touched countless lives. To many of us, he was a fatherly figure — one who offered not only direction, but warmth, reassurance, and quiet strength in moments of uncertainty. His presence carried a rare quality: the ability to inspire confidence even in the most trying of circumstances.

He was a man of great dreams — always animated by an inner fire to overcome challenges and push beyond limits. Yet his vision was never self-serving. He believed deeply in lifting those around him. For Omprakashji, relationships were never transactional; they were built on trust, genuine care, and a profound sense of belonging. He did not see people as associates — he welcomed them as family.

For me personally, this loss is one that cannot be measured or repaired. He was far more than a guide. He was a constant presence through every phase of life — one whose words brought clarity in moments of doubt, and whose very presence brought strength in times of difficulty. To me, he was not simply a mentor; he was a companion closer than a brother. Yet this grief is not mine alone. His passing is a profound loss for the entire Bora family and the SPCM family — both of whom were fortunate to have received his blessings, his wisdom, and his affection over the

years. Across every life he touched with his kindness and generosity, his absence will be deeply and lastingly felt.

What truly distinguished Omprakashji was the greatness of his heart. At Ranka Jewellers, no one was merely an employee to him — every individual was a cherished member of the extended Ranka Parivar. He stood steadfastly by people in all circumstances, leading always with humility, grace, and an unwavering commitment to the relationships he held dear.

Before I conclude, I would like to give expression to this grief through a few lines:

“कुछ रिश्ते शब्दों से नहीं, एहसासों से जिए जाते हैं,
वो साथ होकर भी नहीं, दूर होकर भी साथ निभाते हैं।”

Though his physical presence is no longer with us, his teachings, his values, and his memories shall continue to illuminate our path. In every decision we take and in every challenge we face, we will find a part of his wisdom quietly guiding us forward.

“आप जैसे लोग जाते नहीं, अमर हो जाते हैं...
यादों में, संस्कारों में, और हर उस राह में जो आपने दिखायी।”

He will live on in our hearts — as a mentor, as a fatherly figure, and above all, as a truly remarkable human being.

May his soul rest in eternal peace.

- CA Suhas P. Bora



DUE DATES

Income Tax due date calendar for the month of April-2026

DATE	DUE DATE FOR
14.04.2026	<ul style="list-style-type: none"> • Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M & 194S in the month of February, 2026
15.04.2026	<ul style="list-style-type: none"> • Quarterly statement in respect of foreign remittances (to be furnished by authorized dealers) in Form No. 15CC for quarter ending March, 2026. • Quarterly statement to be furnished by specified fund or stock broker in respect of a non-resident referred to in rule 114AAB in respect of the quarter ending March 31, 2026
30.04.2026	<ul style="list-style-type: none"> • Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2026 • Due date for deposit of TDS for the period January 2026 to March 2026 when Assessing Officer has permitted quarterly deposit of TDS under section 192, 194A, 194D or 194H • Due date for uploading declarations received from recipients in Form. 15G/15H during the quarter ending March, 2026.



DATE	DUE DATE FOR
	<ul style="list-style-type: none"> • Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2026. • Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M & 194S in the month of March, 2026 • Due date for e-filing of a declaration in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2025 to March 31, 2026 • Intimation by Sovereign Wealth Fund of investment under clause (23FE) of section 10 of the Income-tax Act, 1961 for the quarter ending March 31, 2026

***“You can’t help what you feel, but you can help how
you behave”***

– Margaret Atwood

GST due dates for the month April 2026

Due date	Return	Period	Description
10 th April	GSTR-7 (Monthly)	March'26	Summary of Tax Deducted at Source (TDS) and deposited under GST laws.
10 th April	GSTR-8 (Monthly)	March'26	Summary of Tax Collected at Source (TCS) and deposited by E-commerce operators under GST laws.
11 th April	GSTR-1 (Monthly)	March'26	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of January-March 26
13 th April	GSTR-6	March'26	Details of ITC received and distributed by ISD.
13 th April	GSTR-5 (Monthly)	March'26	Summary of outward taxable supplies & tax payable by a non-resident taxable person.
13 th April	GSTR-1 (Quarterly)	Jan'26 - March'26	Summary of outward supplies where turnover does not exceeds Rs.5 crore and have chosen the QRMP scheme for the quarter of January-March 26
18 th April	CMP -08	Jan'26 - March'26	Form to declare the details or summary of self-assessed tax which is payable for a given quarter by taxpayers who are registered as composition



Due date	Return	Period	Description
			taxable person or taxpayer who have opted for composition levy.
20 th April	GSTR-3B (Monthly)	March'26	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of January-March 26.
20 th April	GSTR-5A (Monthly)	March'26	Summary of outward taxable supplies and tax payable by OIDAR.

“No need to hurry. No need to sparkle. No need to be anybody but oneself.”

— Virginia Woolf.

INCOME TAX**FINANCE ACT 2026 - SOME KEY AMENDMENTS**

The Finance Bill, 2026 (FB 2026 or Bill) was presented by the Hon'ble Finance Minister (FM) Nirmala Sitharaman on 1 February 2026 which proposed amendments to both existing Income-tax Act 1961 (ITA 1961) and new Income-tax Act 2025 (ITA 2025). ITA 2025 shall take effect from 1 April 2026, and ITA 1961 shall be repealed from that date. While moving the Bill for approval by the Lok Sabha on 25 March 2026, the FM introduced amendments to FB 2026 (Amended FB 2026). The amendments intend to address certain ambiguities/uncertainties arising from the proposals as contained in the Bill together with certain new proposals. Further, parallel amendments are introduced in ITA 2025 which are operative from 1 April 2026. This alert covers the key amendments related to income taxes only.

Most Important Takeaways are as under:

1. Capital gains exemption for land transferred under the Andhra Pradesh Land Pooling Scheme is restored under the ITA 2025. The exemption is subject to a sunset condition, requiring possession to be received by 31 March 2031.
2. Exemption from income tax is extended to The New Development Bank to align with the tax immunity provided under the BRICS Agreement (Brazil, Russia, India, China, and South Africa Agreement).
3. The turnover threshold for claiming start-up tax exemption has been enhanced from INR100 crore to INR300 crore.
4. No interest is chargeable on the penalty levied in combined assessment or reassessment order passed on or after 1 April 2027 during the period the appeal is pending before the first appellate authority.

- 5.** The additional tax applicable on promoter shareholders is narrowed to buybacks undertaken by Indian companies in accordance with section 68 of the Companies Act, 2013.
- 6.** Offshore Banking Units (OBUs) in Special Economic Zones (SEZ) where the original 10-year holiday ended on 31 March 2025 are allowed an additional 10-year benefit starting from tax year 2026–27.
- 7.** Refund adjustment provisions are expanded to allow refunds under the ITA 1961 to be set off against liabilities under the ITA 2025 and vice versa.
- 8.** Prescribes requirement of minimum 30 days period to enable taxpayer to file of return in response to a reassessment notice.
- 9.** Introduces a defined 3-month time limit for issuing reassessment notices to implement courts or appellate findings or directions subject to the tax year not being time-barred otherwise on specific date.
- 10.** Prior approvals under the Income Tax Laws (ITL) are now treated as procedural and administrative in nature. Assessments cannot be invalidated merely due to inadequate reasoning or technical defects in approvals, so long as electronic approval exists.
- 11.** Faceless assessment units are permitted (retrospectively from 1 April 2022) to authenticate using electronic mode without digital signatures.
- 12.** Tribunal orders passed on or after 1 October 2026 shall be uploaded electronically on a designated portal and deemed to be communicated to the tax authorities in real time.
- 13.** The power of the Tax Recovery Officer (TRO) to arrest taxpayers for recovery of tax dues is withdrawn, reflecting a move towards less coercive recovery mechanisms.

14. For proceedings relating to tax years up to 2025– 26, interest provisions of the ITA 1961 will continue to apply even after 1 April 2026. Any future changes in interest rates under the ITA 2025 will apply prospectively from the date of such change.

15. Discussion of amendments at the enactment stage:

15.1. Exemption from capital gains on transfer of assets under the land pooling scheme

15.2. Existing provisions of the ITA 1961 provides an exemption from capital gains tax to a taxpayer, being an individual or a Hindu undivided family, who was the owner of land or building as on 2 June 2014 and transfers the same under the land pooling scheme implemented pursuant to the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015, framed under the Andhra Pradesh Capital Region Development Authority Act, 2014.

15.3. This exemption, however, was omitted under the ITA 2025, on the basis that it had become redundant with the assumption that all eligible stakeholders under the land pooling scheme would have already received the reconstituted plots in exchange for the land transferred.

15.4. However, the Explanatory Memorandum to FB 2026, at the enactment stage, acknowledges that representations were received seeking restoration of this exemption, noting that many stakeholders have still not received possession of the reconstituted land or plots owing to the scheme having not operated smoothly.

15.5 In light of the above, FB 2026, proposes to restore the benefit of capital gains exemption under the ITA 2025 as well, subject to the same substantive conditions as were applicable under the ITA 1961. However, the ITA 2025 introduces a sunset clause, restricting the availability of the exemption to cases where possession of the reconstituted land is received on or before 31 March 2031.

15.6. The proposed amendment is effective from 1 April 2026.

16. Exemption from income tax on total income of The New Development Bank

16.1. The Agreement on The New Development Bank was signed on 15 July 2014 in Fortaleza, Brazil, by the BRICS nations Brazil, Russia, India, China, and South Africa for the establishment of The New Development Bank. Article 34 of the said Agreement provides that The New Development Bank, its income and transfers shall be immune from all forms of taxation.

16.2. In order to codify the said immunity, FB 2026, proposes to provide an exemption from income-tax on the total income of The New Development Bank (formerly known as BRICS Development Bank) under the ITA 2025. The mechanism, including the form and the manner in which such exemption will be granted, is to be prescribed separately.

16.3. The proposed amendment is effective from 1 April 2026.

17. Waiver of interest on delayed payment of penalty for common order of assessment and penalty

17.1. FB 2026 proposes to integrate assessment and penalty proceedings through a common order w.e.f. 1 April 2027, with the objective of reducing multiplicity of proceedings and improving ease of doing business. The FB further proposes that no interest shall be levied on the penalty amount during the period when an appeal is pending before the first appellate authority, irrespective of the outcome of such appeal. However, the language of the amendment was ambiguous leading to an interpretational issue so as to whether such waiver may also be available in relation to orders passed before 1 April 2027.

17.2. To address this ambiguity, FB 2026, at the enactment stage, proposes to clarify that no interest shall be levied on penalty imposed under an assessment or reassessment order passed on or after 1 April 2027 for the period during which the matter remains pending before the first appellate authority.

17.3. The amendment is proposed to be applicable for assessment or reassessment order passed on or after 1 April 2027.

18. Rationalization of buyback tax regime

18.1. Presently under the ITA 2025, consideration received on buyback of shares under section 68 of Companies Act 2013 is taxable as “dividend income” in the hands of the shareholders, with the cost of acquisition of such shares bought back being available as capital loss separately.

18.2 At the time of introduction of FB 2026, it was proposed to rationalize the taxation of such buybacks, whereby consideration on buyback shall now be taxable as “capital gains” with applicable beneficial tax rates (restoring the position as it stood prior to October 2024).

18.3. An additional tax was also proposed to be levied for shareholders qualifying as “promoter” shareholder. The aggregate income tax liability on promoter domestic companies would be 22% and 30% for other promoters. The aggregate income tax comprises capital gains tax rate and additional tax. However, there was ambiguity on applicable rate of surcharge on such additional tax.

18.4. At the enactment stage, following amendments are undertaken:

18.4.1 Additional tax on buyback will be applicable only when a domestic company undertakes buyback in accordance with the provisions of section 68 of the Companies Act, 2013, thereby aligning its scope with erstwhile deemed dividend framework for buyback. Resultantly, promoter shareholders will trigger additional tax only when buyback is undertaken by Indian companies.

18.4.2. A surcharge rate of 12% is provided on tax charged and paid under the buyback provision of ITA 2025. But this has resulted in an ambiguity whether such surcharge applies only

on additional tax or on aggregate income tax on buybacks for promoters.

18.4.3. The amendment will be effective from 1 April 2026 (tax year 2026-27 and onwards).

19. Extension of tax holiday for Offshore Banking Units (OBUs) and International Financial Service Centre (IFSC) units:

19.1. Currently, a tax holiday is available for 10 consecutive years in the case of OBUs and 10 consecutive years out of 15 years for IFSC units.

19.2 FB 2026 has extended the same to 20 consecutive years in case of OBUs and 20 consecutive years out of 25 years in case of IFSC units.

19.3. The amended FB 2026 has explicitly extended the tax holiday period of OBUs, even if the initial 10 years period has expired on 31 March 2025. Accordingly, an additional 10-year benefit will be available from tax year 2026-27 and onwards.

19.4. This amendment will be effective from 1 April 2026 for tax year 2026-27 and onwards.

20. Minimum time to file tax return in response to reassessment notice

20.1. Presently, tax authority is required to issue a notice before reassessing any escaped income and the taxpayer is required to furnish tax return in response to such notice. The maximum time allowed to furnish tax return is 3 months from the end of the month in which reassessment notice is issued. However, there is no minimum time prescribed.

20.2 In order to address taxpayer's concern, FB 2026, at the enactment stage, proposes to prescribe a minimum time of 30 days from the date of notice for taxpayer to file tax return.

20.3. The amendment is proposed to be effective from 30 March 2026 under ITA 1961 and 1 April 2026 under ITA 2025.

21. Providing timelines for framing assessments where tax authority has succeeded

21.1. Presently, the ITL allows issuance of reassessment notice at any time to make reassessment for giving effect to any finding or direction contained in an order passed in appeal, reference or revision proceedings under the ITL, or in an order passed by a court under any other law. Further, no time limit is provided for issuance of such reassessment notices. However, the ITL restricts this power by prohibiting action for reopening if the relevant tax year was already time-barred as on the date when the order (which was the subject of appeal, reference or revision) was passed.

21.2. It is proposed to explicitly permit issuance of reassessment notice to give effect to any finding or direction contained in an order passed by a court in any proceedings under the ITL as well. Further, it is also proposed that reassessment notices in such cases can be issued only within 3 months from the end of the quarter in which the order of higher authority is received by the tax authority. However, a corresponding limitation safeguard is also proposed, though in an ambiguous manner, whereby such reassessment notice can be issued only if the assessment was not time-barred at the time when the ITL proceedings (which were subject matter of the court proceedings) were initiated.

21.3. This amendment is proposed to be effective from 1 February 2026 under ITA 1961 from 1 April 2026 under ITA 2025.

22. Assessment not to be held invalid on grounds relating to defects in approval

22.1. Several provisions under the ITA 1961 require prior approval or sanction from a specified tax authority before certain actions or proceedings can be initiated in relation to assessment. Illustratively, the issuance of a reassessment notice requires approval from a higher authority.

22.2 In the past, courts have generally quashed assessment proceedings on account of defects relating to such approvals. These include situations where approvals were granted without recording sufficient reasons, without due application of mind, or in a mechanical manner, including cases where approvals were accorded within an unreasonably short timeframe, suggesting lack of application of mind by the approving authority.

22.3. The Explanatory Memorandum to FB 2026, highlights that the statutory intent behind prior approvals was primarily to have procedural and administrative checks and nothing beyond that. Interpretation of courts have led to quashing proceeding without going into the merits of the case resulting in loss of revenue.

22.4. To align with legislative intent, FB 2026 proposes the insertion retrospectively of a new provision providing that prior approvals are administrative and supervisory in nature. It further proposes that assessment proceedings shall not be held invalid merely on the ground of inadequacy of reasons recorded for granting approval, defects in the form or manner of authentication or communication of approval, or the absence of digital signatures, provided that such approval has been granted electronically. A parallel amendment has also been proposed under the ITA 2025.

22.5. In ITA 2025, this amendment is effective from 1 April 2026. In ITA 1961, this is effective retrospectively from 1 April 2021.

23. Income Tax Appellate Tribunal (Tribunal) to upload their orders on designated portal (w.e.f. 1 October 2026)

23.1. Presently, Tribunal is required to send a copy of its orders to taxpayer and tax authority. Such orders are presently being delivered in physical form.

23.2. FB 2026, at the enactment stage, proposes that the Tribunal shall upload their orders on designated portal such that their orders will be communicated to tax authority electronically. Consequently,

the limitation period under the ITA 1961 and ITA 2025, as the case may be, shall be computed accordingly from such date.

23.3. Henceforth, the orders of the Tribunal shall be made available to tax authority on real time basis. However, taxpayer shall continue to receive orders in physical form. Similar amendment is proposed under ITA 2025 as well.

23.4. The proposal shall be effective from 1 October 2026. Hence, it shall apply to any orders passed by First Appellate Authority on or after 1 October 2026.

24. Restrictions on powers of Tax Recovery Officer (TRO) to arrest and detain a taxpayer:

24.1. Presently, the ITL grants various powers to TRO for recovery of tax due under the ITL. One of the modes available to TRO to recover the amount is the arrest of the taxpayer and taxpayer's detention in prison. 24.2 The FB 2026, at the enactment stage, proposes to do away with such powers as other modes of recovery were considered sufficient. Consequential amendments are also proposed in the procedure prescribed for recovery of tax.

24.3. The amendment is proposed to be effective from 30 March 2026 under ITA 1961 and 1 April 2026 under ITA 2025.

25. Transition clarification:

Even for refunds/defaults after 1 April 2026, ITA 1961 interest continues unless the ITA 2025 rate is specifically modified

25.1. ITA 2025 contains a comprehensive repeal and savings framework to ensure a smooth transition from ITA 1961 to ITA 2025. One aspect of this framework addresses the manner of computing interest where, in respect of any proceeding relating to tax years up to 2025- 26, a refund falls due or a default in tax payment is made on or after 1 April 2026.

25.2 In such cases, ITA 2025, as initially enacted, stated that interest for the period after 1 April 2026 would be determined as per ITA 2025.

25.3. This created a dual period approach i.e., interest for the period up to 31 March 2026 as per ITA 1961, and thereafter as per ITA 2025. At the enactment stage, the amended law deviates from this approach, by providing that the provisions of ITA 1961 relating to interest would be saved from repeal and shall continue to apply even for the period after 1 April 2026. However, if rate of interest as per ITA 2025 is modified in future, the modified rate shall apply for the period after such modification

26. Other proposed amendments by FB 2026, at enactment stage:

26.1. The turnover threshold for claiming start-up tax exemption has been enhanced from INR100 crore to INR300 crore. This amendment has been introduced in alignment with the Department for Promotion of Industry and Internal Trade (DPIIT) notification G.S.R. 108(E) dated 4 February 2026, which revised the turnover limits applicable to recognized startups. The amendment is proposed under ITA 2025 and to be effective from 1 April 2026.

26.2. Various units operating under faceless assessment scheme (Assessment Unit, Verification Unit, Technical Unit and Review Unit) can authenticate their electronic records by way of electronic communication and are not required to affix their digital signature. The amendment is proposed to be effective retrospectively from 1 April 2022.

26.3. The ITA 1961 currently permits the adjustment of refunds due to a taxpayer against any tax liability payable by such taxpayer under the same Act. It is now proposed to amend the existing provision to expand the scope of such set-off, so as to also allow adjustment of refunds against tax liabilities arising under the ITA 2025

27.SPCM Comments

Traditionally, amendments made at the stage of enactment are generally confined to rectifying drafting inconsistencies, resolving anomalies, or addressing interpretational concerns that may emerge from the original proposals. The Finance Bill, 2026 incorporates certain clarificatory changes, including those relating to the non-applicability of interest on penalties during the pendency of appellate proceedings and clarification regarding the duration of the tax holiday available to Offshore Banking Units (OBUs).

However, the enactment-stage amendments under the Finance Bill, 2026 go beyond mere clarification and introduce notable legislative and policy-level modifications. These measures appear to be driven by the objective of reducing litigation and bringing greater certainty to the framework under the Income-tax Act, 2025.

A particularly significant amendment provides that statutory approvals shall be treated as administrative and supervisory in character, and consequently, assessments shall not be rendered invalid solely due to defects or irregularities in such approvals. While this change seeks to prevent assessment orders from being annulled on technical grounds relating to deficiencies in the approval process, it also raises concerns regarding the effectiveness and meaningfulness of such safeguards if their validity is insulated from judicial scrutiny.

The proposed withdrawal of the Tax Recovery Officer's (TRO's) authority to arrest taxpayers for the recovery of tax arrears is a welcome development. This measure indicates a move toward a less coercive mechanism for tax recovery and is consistent with the broader policy direction of enhancing the ease of doing business. Similarly, the introduction of a minimum time frame for filing returns in reassessment proceedings, along with the prescribed time limit for initiating actions pursuant to court findings or directions, represents a positive step toward ensuring procedural discipline and uniformity.

Further, the proposed increase in the turnover threshold for start-ups is likely to enable a larger number of eligible entities to avail the tax holiday

benefits, although this may also result in exposure to Minimum Alternative Tax (MAT) on book profits without corresponding credit availability.

In summary, the enactment-stage amendments under the Finance Bill, 2026 reflect a blend of interpretational clarifications as well as substantive policy interventions, indicating an approach that combines technical refinement with broader legislative restructuring.

***“Life has got all those twists and turns. You’ve got
to hold on tight and off you go.”***

—Nicole Kidman

GST**GST UPDATES****1. Advisory regarding confirmation of “Tax Liability Breakup, As Applicable” in GSTR-3B-reg:**

From the February 2026 tax period onwards, the GST Portal auto-populates the “Tax Liability Breakup, As Applicable” in GSTR-3B on the basis of the document dates of supplies reported in GSTR-1 / GSTR-1A / IFF, where such supplies pertain to any previous tax period but the corresponding tax liability is being discharged in the current period’s GSTR-3B.

Accordingly, from the February 2026 tax period, after offsetting the liability in GSTR-3B, taxpayers are required to click on the “Tax Liability Breakup, As Applicable” tab available on the payment page and confirm the breakup of tax liability by clicking the “SAVE” button or edit the same, if required.

2. Facility for Withdrawal from Rule 14A:

GSTN has introduced an online facility for eligible taxpayers to withdraw from registration under Rule 14A by filing **Form GST REG-32** on the GST Portal.

Key Highlights:

- **Eligibility:** Active taxpayers registered under Rule 14A.

- **Application Path:** Services → Registration → Application for Withdrawal from Rule 14A.
- **Pre-conditions:** Filing of prescribed GST returns (minimum 3 months before 1 Apr 2026; minimum 1 tax period thereafter) along with all pending returns.
- **Aadhaar Authentication:** Mandatory for Primary Authorised Signatory and one Promoter/Partner (OTP/Biometric based).
- **Timelines:** Draft submission within 15 days and Aadhaar authentication within 15 days of submission.
- **Restrictions:** No amendments or cancellation applications allowed during processing.
- **Post Approval:** Upon approval via Form GST REG-33, enhanced reporting of B2B outward supplies exceeding ₹2.5 lakh applies from the following month.

Opting out should ensure compliance with return filing and authentication requirements to avoid delays.

Finance and Valuations

Valuation Under Uncertainty & The Strategic Shift to Debt

Executive Summary:

Valuations today are driven less by growth narratives and more by **cash flow visibility, governance, and capital efficiency**. At the same time, debt has emerged as a **preferred capital instrument**, allowing businesses to navigate valuation compression without immediate dilution.

Bottom line: Capital is available—but only for clarity, discipline, and structure.

1. MACRO CONTEXT — SELECTIVE CAPITAL

Global uncertainty (rates, geopolitics, liquidity) has reset investor behaviour:

- Capital is **not scarce—but highly selective**
- Risk is being priced more aggressively
- Exit timelines are longer
- LPs are pushing funds for **deployment discipline over pace**

Earlier: Capital chased growth

Now: Capital chases predictability

2. VALUATION DYNAMICS — FROM STORY TO SUBSTANCE

Cash Flow is King

- DCF assumptions are under tighter scrutiny
- Higher discount rates → valuation compression

- Free cash flow conversion is now a **core diligence metric**

Multiples are Company-Specific

- Governance, profitability, and efficiency drive premiums
- Significant valuation gaps within the same sector
- “Good businesses” are getting funded—**average ones are getting priced down**

Liquidity Discount is Real

- Longer holding periods → lower effective valuations
- Exit optionality (IPO/M&A visibility) is now embedded in pricing

The Expectation Gap

- Sellers anchored to past valuations
- Buyers pricing current risk

Result:

More negotiations, fewer clean deals, increased structured transactions.

3. THE RISE OF DEBT — STRATEGIC, NOT TACTICAL

Debt is increasingly the **first choice, not fallback.**

Why?

- Avoid dilution at lower valuations
- Predictable outcomes vs equity uncertainty
- Strong private credit supply

- Lower governance intrusion vs equity
- Faster execution in time-sensitive situations

Instruments Gaining Traction

- Structured debt / private credit
- Venture debt
- Revenue-linked financing
- Convertible instruments (CCDs / CCPS)

Use case:

Bridge valuation gaps, extend runway, and delay pricing decisions until visibility improves.

4. THE RISKS — NO FREE LUNCH

- **Cash flow dependency:** Weak businesses get exposed
- **Over-leverage:** Delayed but sharper downside
- **Covenants:** Increased monitoring and control
- **Refinancing risk:** Particularly in cyclical sectors

Equity dilution is visible.
Debt stress is silent—until it isn't.

5. STRATEGIC PLAYBOOK**For Promoters**

- Use debt as a **bridge, not a substitute**
- Accept structured equity where required

- Prioritize cash flow stability and working capital discipline
- Clean up historical compliance to avoid diligence shocks

For Investors

- Equity: Focus on structure + downside protection
- Debt: Strong cycle for risk-adjusted returns
- Increasing preference for **control rights in uncertain assets**

For HNIs / Family Offices

- Private credit offers **attractive yield + protection**
- Opportunities in pre-IPO secondaries and structured deals
- Requires disciplined underwriting and governance oversight

Key Insight

Winning deals today are **hybrid**—not purely equity or debt, but intelligently structured combinations of both.

CLOSING VIEW

We are in a structural shift:

Old	New
Growth-led valuation	Cash flow-led valuation
Equity-heavy funding	Hybrid capital
Speed	Discipline



Conclusion:

Valuation is about **defensibility**, not optimism.

Capital is about **structure**, not availability.

In this market, the competitive advantage lies not in raising capital—but in **engineering it intelligently**.

*“Life was meant to be lived, and curiosity
must be kept alive. One must never, for
whatever reason, turn his back on life.”*

—Eleanor Roosevelt



THANK
YOU!

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