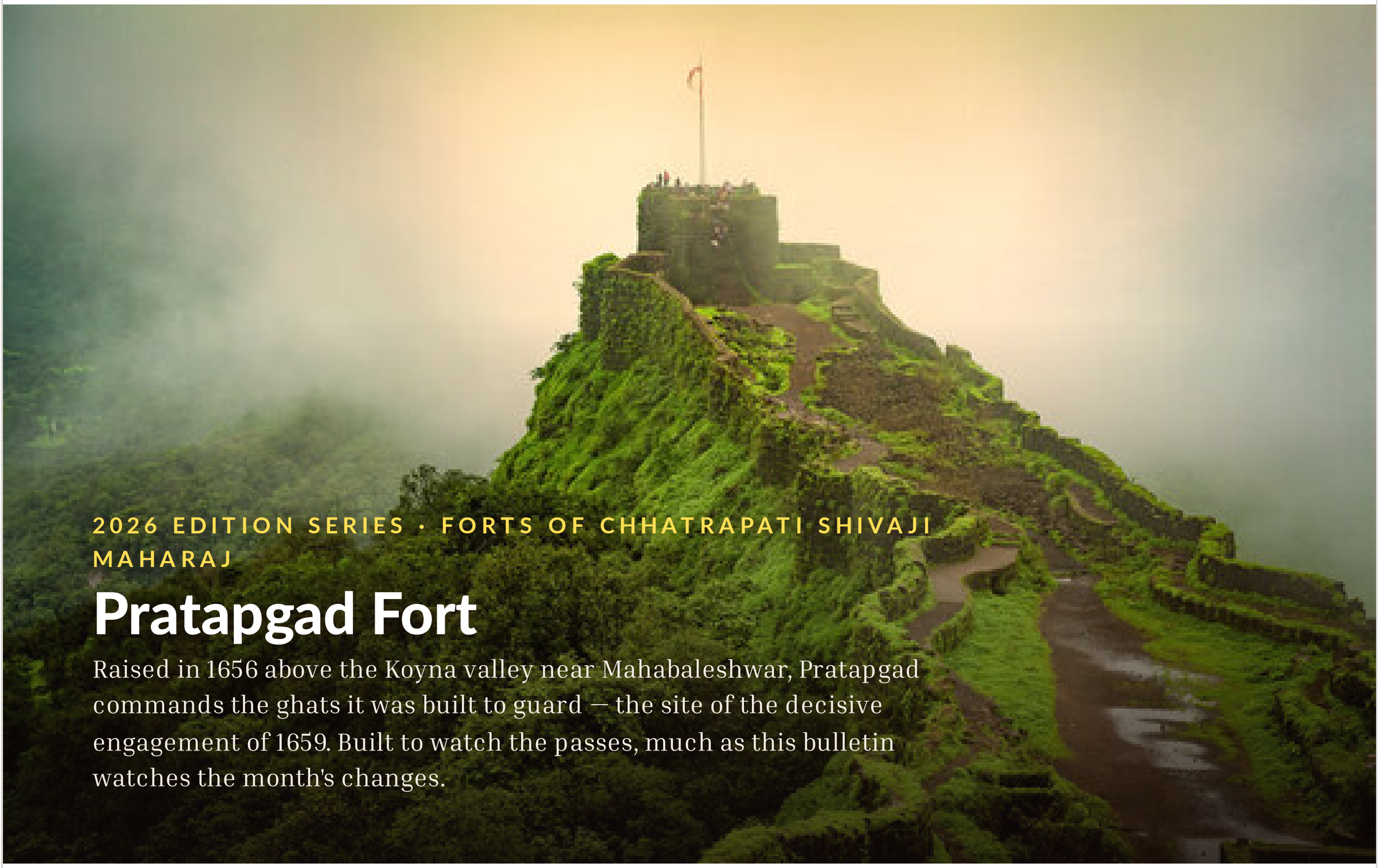
P G BHAGWAT LLP
NETWORK

LRN: W/00003



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.

NETWORK EDITION

# 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. Across the network we have pulled together what mattered — **Income Tax, Labour, Data Protection, GST, MCA, RBI/FEMA and ICAI** — so that clients of every member firm read one considered view. Each item says plainly who it affects, what to do, and by when.

**Authored by the Network Technical Desk**

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

THE NETWORK

# Three firms, one network

*P G BHAGWAT LLP NETWORK is registered with the Institute of Chartered Accountants of India under LRN W/00003. Member firms practise independently under the lead-firm model.*

LEAD FIRM

### P G Bhagwat LLP

Suites 102, 'Orchard',
Dr Pai Marg, Baner,
Pune – 411 045

OTHER OFFICES

Mumbai · Bengaluru · Kolhapur · Dharwad · Belagavi

MEMBER FIRM

### JDP & Co.

Unit 3B, 6-3-569/2,
Rockdale Compound,
Somajiguda,
Hyderabad – 500 082

MEMBER FIRM

### Nikhil Kenjale & Co.

Flat 301, Raghudurg Apartments,
Opp. Canara Bank, Karve Road,
Erandwane,
Pune – 411 004

## THE STRENGTH OF THE NETWORK

**3**
FIRMS IN THE NETWORK

**18+**
PARTNERS

**350+**
TEAM MEMBERS

**300+**
YEARS COMBINED PARTNER EXPERIENCE

**88+**
YEARS OF LEAD-FIRM LEGACY

**7**
CITIES SERVED IN INDIA

*Combined figures across the member firms. The network's reach grows as it expands under the ICAI Networking Guidelines.*

*"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.**

| | | | |
|---|---|---|---|
| 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** Assessees 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.

ADVISORY | FAST-DS · FOREIGN-ASSET DISCLOSURE

## 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.

FOR INFORMATION | INCOME-TAX ACT, 2025

## 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.

## ICAI

1 update · Contents

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: icai.org — Direct Taxes Committee

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

## GSTN

1 update · Contents

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

# Thank you.

## P G BHAGWAT LLP

NETWORK

**LRN: W/00003**


**OFFICES ACROSS THE NETWORK**

Pune (Head Office, Baner) · Mumbai · Bengaluru · Hyderabad · Kolhapur · Dharwad · Belagavi

**MEMBER FIRMS**

P G Bhagwat LLP (lead firm) · JDP & Co., Hyderabad · Nikhil Kenjale & Co., Pune

QUERIES connect@pgbnetwork.com

WEB www.pgbnetwork.com

TEL 020-27290771 / 1772 / 1773




---

*This bulletin is structured and drafted with the assistance of AI tools, and reviewed by our technical team before issue.*