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# JDPro Insights April 2026 Edition

Bringing the latest regulatory updates in GST,  
Income Tax and more at your fingertips.





# INDEX

- I Indirect Tax**
- II Direct Tax**
- III Corporate Laws**
- IV GST Compliance Calendar April 2026**
- V Other Statutory Compliances Calendar April 2026**

(Note - This pdf contains interactive links to help easy navigation. We suggest viewing it on desktop/laptop to enable most links. Click over the Roman numbers above to directly jump to a section)

# ➤ INDIRECT TAX INSIGHTS

- 1 Mandatory Confirmation of Tax Liability Breakup in Form GSTR 3B
- 2 Use of Form DRC-03A for Pre-deposit in GST Appeals



## MANDATORY CONFIRMATION OF TAX LIABILITY BREAKUP IN FORM GSTR 3B

The GST Network (GSTN) issued an advisory on March 16, 2026, regarding the new auto-population feature in Form GSTR-3B. This update aims to streamline interest calculations under Section 50 of the CGST Act, 2017, specifically for liabilities pertaining to previous tax periods discharged in the current month.

### Key Highlights of the New Procedure:

- **Auto-Population:** From the February 2026 tax period onwards, the GST portal now auto-populates the "Tax Liability Breakup" based on document dates reported in GSTR-1, GSTR-1A, or IFF.
- **Mandatory Step:** After offsetting liabilities, taxpayers must click the "Tax Liability Breakup, As Applicable" tab on the payment page.
- **Action Required:** Taxpayers must review the breakup and click "SAVE" to proceed. Filing via EVC or DSC will remain disabled until this confirmation is completed.

### Important Filing Workaround:

Currently, the portal requires this confirmation for all taxpayers, even those with no backdated liabilities. GSTN has acknowledged this technical glitch and is working on a fix.

Until resolved, all filers should follow this interim process:

1. Navigate to the payment page in GSTR-3B.
2. Open the "Tax Liability Breakup, As Applicable" tab.
3. Click "Save" (even if the liability relates only to the current period).
4. Proceed to file the return as usual.

**Note:** Accurate reporting in this tab is critical to ensure that interest is only levied on the "net tax liability" for delayed filings, as per statutory provisions.

## USE OF FORM DRC-03A FOR PRE-DEPOSIT IN GST APPEALS

The GST Network (GSTN) issued a critical advisory on March 14, 2026, addressing difficulties faced by taxpayers when filing appeals against demand orders. Specifically, it clarifies how to account for voluntary payments made during investigations when calculating the mandatory pre-deposit.

### The Challenge: Unlinked Payment:

Taxpayers often make voluntary payments during investigations via Form DRC-03. However, because these payments are not automatically linked to a specific Demand ID (generated in Form DRC-07), the GST portal's electronic liability register does not recognize them as part of the pre-deposit required for filing an appeal. This often leads to the system erroneously demanding a "duplicate" payment.

### The Solution: Introducing Form DRC-03A

To resolve this, GSTN has introduced a functionality to bridge the gap between voluntary payments and formal demands.

- Purpose: Form DRC-03A allows taxpayers to map existing DRC-03 payments to a specific Demand ID.
- Effect: Once mapped, the payment is reflected in the Electronic Liability Register (Part II).
- Result: The system will accurately calculate the remaining balance (if any) for the pre-deposit, allowing the appeal to be filed without redundant payments.

### Filing Workflow for Appeals

Step	Action	Outcome
1. Assessment	Identify voluntary payments made via DRC-03 during investigation.	Preparation for mapping.
2. Linking	File Form DRC-03A on the GST portal to link the DRC-03 to the Demand ID.	Liability register is updated.

Step	Action	Outcome
3. Verification	Access the Appeal Filing module; the system checks paid amounts against the Demand ID.	Payment recognized by the portal.
4. Completion	If total paid >_ required pre-deposit, the portal allows filing immediately.	Appeal submitted successfully.

### Action Plan for Taxpayers:

- To ensure a smooth appellate process, taxpayers are advised to:
- Audit all DRC-03 payments related to a specific dispute.
- File Form DRC-03A prior to initiating the appeal application.
- Ensure the electronic liability register reflects the adjusted balance before attempting to submit the appeal.

# DIRECT TAX INSIGHTS

- 1 Launch of Income-tax Act 2025 Awareness Campaign & Website 2.0
- 2 CBDT Releases Comprehensive FAQs on Transition to Income-tax Act, 2025
- 3 CBDT Notifies Income-tax Rules, 2026: A Leaner Compliance Framework
- 4 New TDS Compliance: Form 121 Replaces Forms 15G and 15H
- 5 Relief for Charitable Trusts: Condonation of Delay in Filing Form 10A
- 6 Income Tax Department Launches 'Saksham Nudge' Following Nationwide F&B Sector Verification
- 7 CBDT Brings Crypto & CBDCs Under Reporting Framework



1

## LAUNCH OF INCOME-TAX ACT 2025 AWARENESS CAMPAIGN & WEBSITE 2.0

On March 20, 2026, the Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, launched a comprehensive nationwide campaign to prepare taxpayers for the transition to the Income-tax Act, 2025, effective from April 1, 2026.

### **Nationwide Awareness Initiative:**

To ensure a smooth transition to the new tax regime, the Ministry has rolled out a multimedia awareness drive across print, digital, and social platforms. Key resources available to taxpayers include:

- Guidance Material: Detailed guidance notes and brochures explaining new provisions.
- Educational Content: Tutorial videos designed to simplify complex compliance requirements.
- Public Engagement: Interactive digital sessions and on-ground outreach programs.

### **Unveiling of Income-tax Website 2.0:**

In a significant step toward digital tax administration, the Finance Minister also inaugurated the upgraded Income-tax Website 2.0. This revamped portal is part of the department's digital transformation strategy.

Key Features of Website 2.0:

- Enhanced Usability: A modern interface designed for a more intuitive user experience.
- Simplified Navigation: Faster access to critical tax services and filing modules.
- Efficient Service Delivery: Optimized back-end processing to reduce wait times and improve taxpayer support.

## CBDT RELEASES COMPREHENSIVE FAQs ON TRANSITION TO INCOME-TAX ACT, 2025

With the Income-tax Act, 2025 set to replace the landmark 1961 Act on April 1, 2026, the Central Board of Direct Taxes (CBDT) has issued a compendium of 262 Frequently Asked Questions (FAQs). This guide is designed to resolve ambiguities regarding pending proceedings, ongoing compliance, and the migration of taxpayer rights and liabilities.

### Thematic Focus of the FAQs:

The compendium organizes complex transitional issues into 10 key areas to assist taxpayers and practitioners in navigating the legislative shift:

Thematic Area	Scope of Guidance
<b>Transition Philosophy</b>	Core principles of the shift and the "Repeal and Savings" framework.
<b>Tax Payments &amp; Refunds</b>	Handling TDS, Advance Tax, and Self-Assessment tax across regimes.
<b>ITR Filing</b>	Obligations for the transition year, including belated and revised returns.
<b>Reassessments</b>	Status of pending notices and the framework for new proceedings post-April 1.
<b>Appeals &amp; Disputes</b>	Continuity of pending appeals and filing fresh appeals under the new Act.
<b>Losses &amp; Deductions</b>	Rules for carrying forward and setting off losses incurred under the 1961 Act.
<b>NRI Provisions</b>	Residential status determination and special regimes for non-residents.
<b>TDS Compliance</b>	Payer/payee obligations, quarterly statements, and certificates



2

## **CBDT RELEASES COMPREHENSIVE FAQs ON TRANSITION TO INCOME-TAX ACT, 2025**

### **Key Objectives of the Compendium:**

- Legal Continuity: Clarifies how rights and liabilities accrued under the old law are protected or migrated.
- Procedural Clarity: Provides a roadmap for filing forms and compliance statements that span both legislative periods.
- Certainty in Litigation: Explains the transition of dispute resolution mechanisms to minimize procedural bottlenecks.

### **Practical Takeaway:**

This 262-question guide serves as the definitive reference for "migration compliance." Taxpayers are encouraged to review the specific thematic sections relevant to their pending assessments or carry-forward losses to ensure a seamless switch to the 2025 regime.

## CBDT NOTIFIES INCOME-TAX RULES, 2026: A LEANER COMPLIANCE FRAMEWORK

In a major move toward tax simplification, the CBDT has notified the Income-tax Rules, 2026, under Section 533 of the Income-tax Act, 2025. Effective from April 1, 2026, these rules replace the legacy 1962 framework, establishing the procedural and reporting groundwork for the new Act.

### Key Highlights: Efficiency by Design

The transition marks a significant reduction in regulatory "bulk," focusing on a digital-first approach to tax administration:

- **Drastic Consolidation:** The framework has been streamlined from over 500 rules and 400 forms down to approximately 333 rules and 190 forms.
- **Technological Integration:** Built to support advanced features like pre-filled returns, standardized reporting formats, and automated system-based reconciliation.
- **Reduced Redundancy:** New protocols focus on capturing data once and reusing it across filings to minimize duplicate reporting.

### Core Objectives:

The 2026 Rules are designed to bridge the gap between legislative intent and practical execution:

1. **Simplified Language:** Moving away from archaic legal jargon to straightforward, modern terminology.
2. **Structured Compliance:** Improved workflow for computing income and submitting reports, reducing the time spent on manual reconciliations.
3. **User-Centric Forms:** Updated forms that align with current digital infrastructure to minimize errors during submission.

**Professional Note:** The reduction in the number of forms by nearly 50% suggests a move toward more data-dense, multi-purpose reporting. Tax professionals should prioritize reviewing the new Guidance Notes to understand the changed data points in the revised 190 forms.

**Reference:** To read Notification No. 22/2026 (Dated 20 March 2026) - [Click Here](#)

**Reference:** To read FAQs and Guidance Notes on New Income-tax Forms - [Click Here](#)

## NEW TDS COMPLIANCE: FORM 121 REPLACES FORMS 15G AND 15H

The CBDT has issued Notification No. 01/CPC(TDS)/2026 (dated March 28, 2026), introducing a new digital framework for declarations seeking Nil-TDS. This update is part of the transition to the Income-tax Act, 2025, and replaces the long-standing Forms 15G and 15H.

### What is Form 121?

Form 121 is the new unified self-declaration form for taxpayers (both senior and non-senior citizens) to request that no tax be deducted from their income (TDS) if their estimated total income for the year is below the taxable limit.

### Key Changes & Requirements:

- **Unified Format:** Unlike the previous system which had separate forms for different age groups, Form 121 now serves as the mandatory declaration for all.
- **Unique Identification Number (UIN):** Every declaration received by a deductor (e.g., a bank) must be assigned a UIN. These numbers are generated every quarter to ensure a digital audit trail and prevent duplicate claims.
- **Mandatory PAN:** Providing a valid Permanent Account Number (PAN) is strictly required. If the PAN is missing or invalid, the declaration is automatically void, and tax will be deducted at higher rates.
- **Submission Modes:** Taxpayers can submit Form 121 either electronically or in paper format.

### Summary of the New Workflow

Feature	Old System (1961 Act)	New System (2025 Act)
<b>Forms used</b>	15G & 15H	Form 121
<b>Tracking</b>	Manual/System entry	Mandatory UIN per quarter
<b>Validation</b>	Periodic checks	Real-time digital verification
<b>PAN Requirement</b>	Mandatory	Mandatory (Invalid without it)



4

## NEW TDS COMPLIANCE: FORM 121 REPLACES FORMS 15G AND 15H

### **Impact for Readers:**

This reform follows the principle of "Trust but Verify – Digitally." While it simplifies the process for taxpayers by using a single form, the back-end tracking through UINs and the CPC-TDS system will be much stricter.

**Taxpayers are advised to ensure their PAN is correctly updated in bank and financial records to avoid accidental tax deductions.**

## RELIEF FOR CHARITABLE TRUSTS: CONDONATION OF DELAY IN FILING FORM 10A

The CBDT has issued Circular No. 1/2026 (dated March 23, 2026), providing much-needed clarity on who has the authority to forgive delays in filing Form 10A. This application is essential for charitable and religious trusts to obtain the registration required to claim tax exemptions.

### **The Problem: Jurisdictional Confusion**

Since October 2024, the law has allowed for the "condonation of delay" (forgiving a late filing) if a "reasonable cause" exists. However, because Form 10A is processed centrally by the CPC in Bengaluru, taxpayers and tax officers were unsure whether to approach their local tax office or the CPC to resolve filing delays.

### **The Clarification: Local Authority Empowered**

The CBDT has now officially confirmed that the Jurisdictional Principal Commissioner (PCIT) or Commissioner (CIT)—your local tax authority—is the officer empowered to condone these delays.

### **This ruling benefits:**

- Trusts that have already filed Form 10A late.
- Trusts with condonation applications currently pending.
- Fresh applications filed on or after March 23, 2026.

### **Action Steps for Trusts:**

1. **Identify the Delay:** Determine if your Form 10A was submitted past the statutory deadline.
2. **Establish 'Reasonable Cause':** Prepare a formal explanation (e.g., medical emergency, technical glitches, or administrative hurdles) that prevented timely filing.



5

## RELIEF FOR CHARITABLE TRUSTS: CONDONATION OF DELAY IN FILING FORM 10A

3. **Apply Locally:** Submit your condonation request to your local PCIT/CIT, even if your main registration application is still "pending" with CPC Bengaluru.
4. **Wait for Approval:** Once the local commissioner approves the delay, the CPC will be able to process the registration.

### Why This Matters:

Without a valid Form 10A registration, a trust loses its tax-exempt status, making its entire income taxable. This circular ensures that genuine organizations do not lose their benefits due to simple procedural delays or confusion over which office to contact.

## INCOME TAX DEPARTMENT LAUNCHES 'SAKSHAM NUDGE' FOLLOWING NATIONWIDE F&B SECTOR VERIFICATION

The Income-tax Department has uncovered widespread tax evasion in the Food & Beverage (F&B) sector following a massive nationwide verification exercise. Using advanced Artificial Intelligence (AI) tools, officials identified nearly ₹408 crore in unreported sales.

### The Investigation: How Sales Were Hidden

An analysis of 1.77 lakh restaurants revealed several methods used to understate income:

- **Billing Manipulation:** Bulk deletion of bills and unauthorized alterations in Point-of-Sale (PoS) systems.
- **Data Mismatch:** Significant gaps between actual transactional data and the turnover declared in Income Tax Returns (ITR).
- **Exclusion of Income:** Large-scale transactions were kept "off the books" and never reflected in financial accounts.

Following these findings, the department conducted targeted surveys on March 8, 2026, covering 62 prominent restaurants across 46 cities.

### The 'Saksham Nudge' Campaign: A Chance to Correct

In line with a "trust-based" approach, the government is offering an opportunity for voluntary correction before taking legal action.

- Who is affected? Approximately 63,000 restaurants have been identified for the first phase.
- The Communication: Identified taxpayers will receive emails and SMS alerts regarding discrepancies.
- The Deadline: Taxpayers are advised to update their returns by March 31, 2026.
- Legal Provision: Corrections can be made by filing an Updated Return under Section 139(8A) of the Income-tax Act, 1961.

6

## INCOME TAX DEPARTMENT LAUNCHES 'SAKSHAM NUDGE' FOLLOWING NATIONWIDE F&B SECTOR VERIFICATION

### Key Takeaways for Business Owners

Action	Impact
<b>Verify Records</b>	Compare your internal billing software data with your filed GST and Income Tax returns.
<b>Check Communication</b>	Monitor registered email IDs and the e-filing portal for any "Saksham Nudge" notices.
<b>Act Quickly</b>	Filing an Updated Return by March 31 can help avoid heavy penalties and formal search operations.

### Professional Advice:

With the tax department now using AI-enabled tools for real-time data matching, manual "billing adjustments" are easily detectable. Ensuring 100% digital reconciliation is no longer optional—it is a necessity.

## 7 DIGITAL ASSET OVERSIGHT: CBDT BRINGS CRYPTO & CBDCS UNDER REPORTING FRAMEWORK

The CBDT has issued Notification No. 19/2026 (dated March 5, 2026), significantly amending the Income-tax Rules to include digital assets in India's formal tax reporting structure. These changes, effective retrospectively from January 1, 2026, align India with the OECD's global Crypto-Asset Reporting Framework (CARF).

### Expanded Definitions: What is Now Reportable?

The scope of "Financial Assets" and "Accounts" under Rule 114F has been widened to include:

- **Crypto-Assets & Derivatives:** Includes any interest in crypto-assets, as well as linked derivatives like futures, forwards, and options.
- **Central Bank Digital Currency (CBDC):** Specifically covers the e-Rupee (Digital Rupee) issued by the RBI.
- **Electronic Money Products:** Digital representations of fiat currency that are redeemable at par value (e.g., certain digital wallets or prepaid instruments).
- **Modernized Depository Accounts:** Accounts holding CBDCs or electronic money on behalf of customers are now officially classified as depository accounts.

### Enhanced Reporting & Due Diligence

The amendments to Rules 114G and 114H impose stricter requirements on financial institutions to ensure transparency:

## 7 DIGITAL ASSET OVERSIGHT: CBDT BRINGS CRYPTO & CBDCS UNDER REPORTING FRAMEWORK

Area	New Requirement
<b>Account Identity</b>	Institutions must disclose if an account is jointly held and the total number of holders.
<b>Legal Structures</b>	Reporting the specific role of individuals holding equity in investment entities (like Trusts).
<b>Self-Certification</b>	Mandatory reporting on whether a valid self-certification has been obtained from the account holder.
<b>Due Diligence</b>	Revised timelines and enhanced procedures for verifying new accounts involving digital assets.

### Strategic Impact: "Global Alignment"

This move marks India's transition toward a highly transparent digital economy. By integrating crypto and CBDCs into the existing reporting framework, the government aims to:

1. Prevent Tax Evasion: Closing loopholes in the digital asset space.
2. International Cooperation: Facilitating the exchange of information with other tax jurisdictions.
3. Audit Trails: Creating a robust digital paper trail for all fiat-to-crypto or CBDC transactions.

**Summary for Readers:** If you deal in Digital Rupees or Crypto-derivatives, expect your financial institution to request updated self-certifications. These assets are no longer "off-the-radar" and will now be reported to the tax department similarly to bank interest or stock market gains.

# ➤ CORPORATE LAW/RBI INSIGHTS

1

MCA Advisory: Best Practices for Company and LLP Name Reservation & Incorporation



1

# MCA ADVISORY: BEST PRACTICES FOR COMPANY AND LLP NAME RESERVATION & INCORPORATION

On March 25, 2026, the Ministry of Corporate Affairs (MCA) issued a comprehensive advisory to reduce the high rejection rates of applications filed through the CRC, SPICe+, and FiLLiP systems. The guidance aims to help stakeholders submit error-free filings for Company and LLP incorporations.

## 1. Guidelines for Name Selection:

The MCA emphasizes that proposed names must be unique and clearly distinguishable from existing entities or registered trademarks.

- **Avoid Minor Variations:** Simply changing spellings, using plural forms, or rearranging words does not make a name "unique."
- **NOCs are Not Absolute:** A No Objection Certificate (NOC) from an existing company will not guarantee approval if the proposed name is deceptively similar or against public interest.
- **Cooling-off Periods:** Statutory restrictions apply to reusing names of dissolved or struck-off entities, with waiting periods ranging from 2 to 20 years.
- **Restricted Words:** Avoid terms suggesting government patronage or regulated words (e.g., 'Bank', 'Insurance', 'Trust') without prior regulatory approval.

## 2. Trademark & Objects Due Diligence:

- **Trademark Search:** Applicants must conduct a thorough search to ensure no conflict with existing trademarks in the same or similar class.

1

## MCA ADVISORY: BEST PRACTICES FOR COMPANY AND LLP NAME RESERVATION & INCORPORATION

- **Activity Alignment:** The proposed business objects must strictly align with the selected NIC (National Industrial Classification) codes.
- **Prohibited Activities:** LLPs cannot engage in NBFC-type operations. Similarly, Section 8 companies and other entities must avoid activities resembling money circulation or pyramid schemes.

### 3. Common Filing Deficiencies to Avoid:

The MCA flagged several recurring errors that lead to immediate rejection or penal consequences:

- **Documentation:** Submission of tampered, unsigned, or blurred registered office address proofs.
- **Consistency:** Discrepancies between subscriber/director details in the forms versus the supporting ID proofs.
- **Execution:** Improperly executed statutory forms or missing digital signatures.

### Summary Table:

Category	Key Requirements
Name Uniqueness	Must not resemble any existing Company/LLP or Trademark.
Restricted Terms	Require prior approval from relevant authorities (RBI, IRDAI, etc.).
Registered Office	Clear, recent, and consistent utility bills/ownership proofs.
Object Clause	Must match NIC codes and be permissible under the specific entity type.

**Reference:** To read CBDT Notification No. 19/2026 dated March 5, 2026.- [Click Here](#)

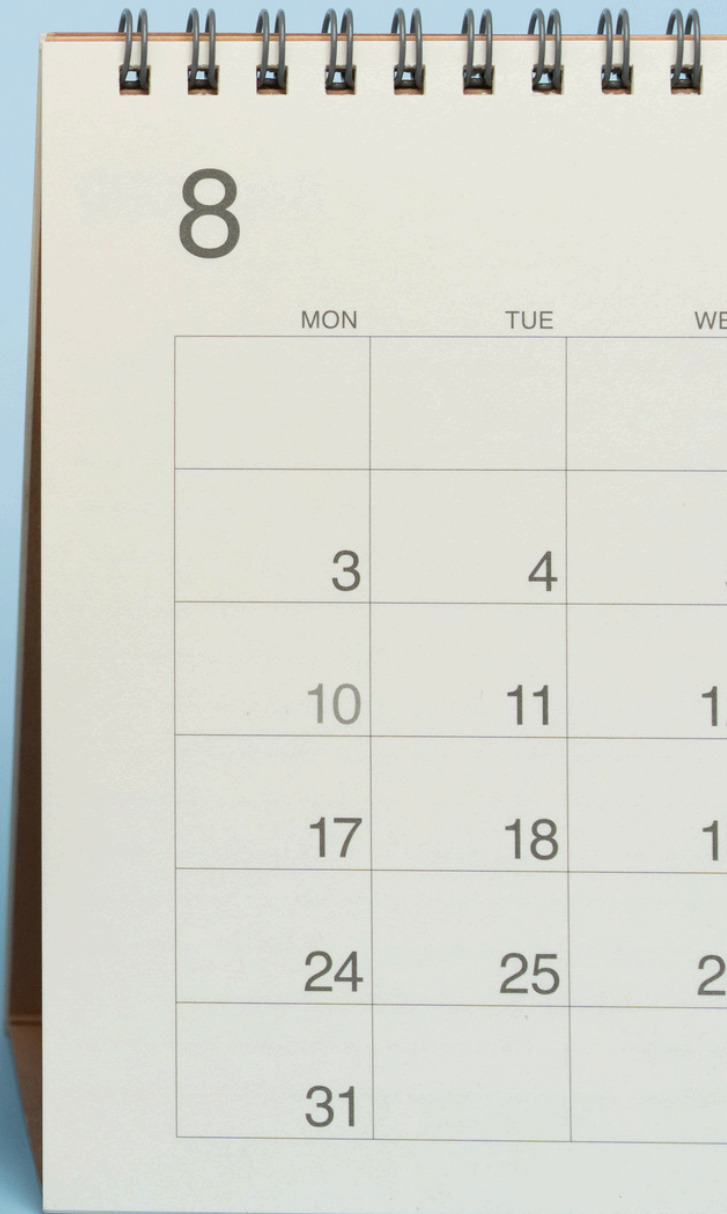
# COMPLIANCE CALENDARS - APRIL 2026

1

**GST Compliance Calendar  
April 2026**

2

**Other Statutory Compliances  
Calendar April 2026**



1

## GST COMPLIANCE CALENDAR APRIL 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	To be filed by the persons who is required to deduct TDS (Tax deducted at source) under GST	GSTR 7	Mar 2026	10.04.2026
2	To be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST	GSTR 8	Mar 2026	10.04.2026
3	Filing of outward supplies	GSTR 1	Mar 2026	11.04.2026
4	To be filed by Non-Resident Taxpayers and ODIAR services provider	GSTR 5/5A	Mar 2026	13.04.2026
5	To be filed by Input Service Distributors	GSTR 6	Mar 2026	13.04.2026
6	Taxpayers with an annual turnover exceeding ₹ 5 Crores.	GSTR 3B	Mar 2026	20.04.2026
7	Due Date for Filing GSTR 3B under QRMP Scheme	GSTR 3B	Jan-Mar	24.04.2026
8	File CMP-08 (Statement-cum-Challan for Composition Dealer)	CMP-08	Jan-Mar	18.04.2026

## 2 OTHER STATUTORY COMPLIANCES CALENDAR APRIL 2026

S.No	Particulars of Compliance	Form/Return	Period	Due Date
1	Due date for deposit of TCS	Challan	Mar 2026	07.04.2026
2	Due date for deposit of TDS	Challan	Mar 2026	30.04.2026
3	Filing Professional Tax returns by the employers or the individuals who are liable to pay professional tax for the state of Telangana		Mar 2026	15.04.2026
4	Provident fund(PF) & ESI Payment and returns		Mar 2026	15.04.2026
5	File MSME Form-I for dues outstanding > 45 days from the date of acceptance	MSME Form 1	Oct-Mar	30.04.2026



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