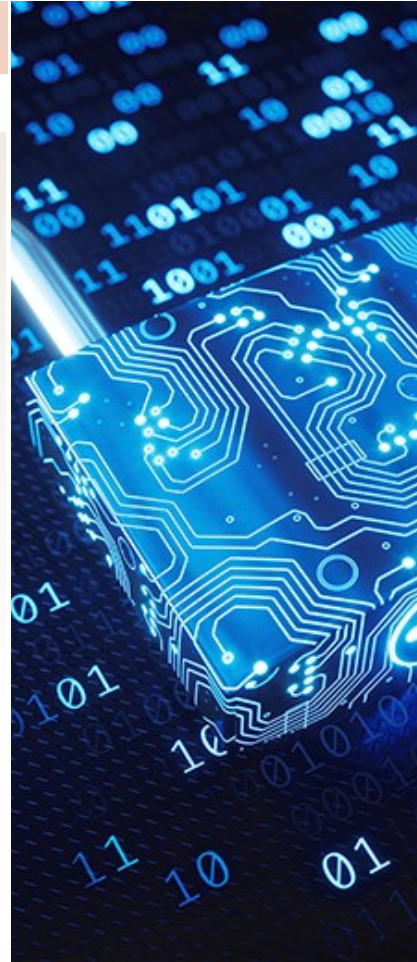


# **Navigating the New Architecture of Business: Global Shocks, DPDP Compliance, and the 2026 Tax Renaissance**

***Important Note:** This newsletter is intended solely for the information and use of our clients. It is not meant for public circulation and should not be treated as a solicitation document or advertisement. The content herein is for general informational purposes only and should not be construed as professional advice. For specific guidance, please consult with your advisor.*

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## Inside this issue

- Editor's overview of Mar 2026.
- Comprehensive Tax updates and industry trends.
- March compliance deadlines and current rates snapshot.

## Special points of interest

- Preparing for a New Era of Tax Compliance: A Deep Dive into the Draft Income-tax Rules, 2026
- Digital Sovereignty and the New Era of Privacy: A Comprehensive Guide to the DPDP Act 2023
- Indian Identification & Registration Numbers – Detailed Reference Table

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## From the Editor's Desk – Mar 2026



Dear Readers,

Welcome to the March 2026 edition of our firm's newsletter.

As we approach the closing of the financial year and prepare to step into FY 2026-27, the global and domestic business environments are presenting a stark paradox. On one hand, India is fortifying its domestic economy with unprecedented structural, tax, and digital reforms. On the other hand, the global landscape is experiencing severe exogenous shocks that threaten to disrupt the very foundations of cross-border trade.

The events of the past 48 hours—specifically the unexpected escalation and strikes in Dubai on the night of February 28th—serve as a harsh reminder of global fragility. For businesses in India, particularly our vibrant export-import (EXIM) community in Tamil Nadu and Coimbatore, the luxury of reactive management

is officially over.

This month's newsletter is perhaps our most critical advisory to date. We have curated in-depth analyses on the newly proposed Income Tax Rules 2026, the sweeping transition to the Digital Personal Data Protection (DPDP) Act, recent Indirect Tax rationalizations, and a comprehensive industry outlook.

As you read through these pages, one overarching theme will become clear: **Proactive preparation is no longer merely a best practice; it is a fundamental survival imperative.**

### 1. The Geopolitical Reality: Hedging Against the Storm

Let us address the immediate crisis first. The sudden escalation in the Middle East has sent shockwaves through global markets. With Dubai acting as the primary logistical and financial artery for Indian businesses, the disruption is immediate and tangible. Coupled with the ongoing Red Sea crisis, the security of the Strait of Hormuz is now heavily compromised.

As your financial advisors, we look at geopolitics through the lens of balance sheets and cash flows. What does this mean for your business over the next quarter?

- **Working Capital Squeeze:** Extended shipping routes around the Cape of Good Hope, combined with port congestions, will drastically stretch cash conversion cycles.
- **Cost Inflation:** The violent spike in Brent crude and aviation turbine fuel (ATF), alongside skyrocketing maritime war-risk insurance premiums, will erode margins instantly.

**The Proactive Mandate:** Businesses must urgently stress-test their liquidity buffers. We strongly advise our clients to immediately review their inventory valuations, renegotiate freight contracts, and secure working capital refinancing to withstand 60-to-90 day payment delays from overseas buyers.

### 2. The Regulatory Renaissance: Tax and Digital Sovereignty

While we manage the external geopolitical turbulence, the internal regulatory environment in India is undergoing a once-in-a-generation transformation.

#### The Draft Income-tax Rules, 2026

In February, the CBDT released the draft Income-tax Rules, 2026, intended to operationalize the new Income-tax Act, 2025 by April next year. At first glance, this is a massive relief: the rulebook has been slashed from 511 to 333 rules, and the staggering 399 forms have been consolidated into just 190.

However, do not mistake "simplification" for "deregulation." The new rules mandate a digital-first, smart-form ecosystem. Forms will now feature automated reconciliations and deep pre-fill capabilities driven by external

financial databases. If your internal ERPs and accounting softwares are generating mismatched data, the tax department's systems will flag it instantaneously.

- **The Proactive Mandate:** Corporate clients must initiate IT and accounting software audits *now* to ensure compatibility with the new reporting structures well before the April 2026 rollout.

### Digital Personal Data Protection (DPDP) Act

Perhaps the most profound shift in corporate governance this decade is the operationalization of the DPDP Act. The era of the IT Act's toothless privacy rules is over. The DPDP Act represents India's assertion of digital sovereignty, bringing us on par with—and in some ways, making us stricter than—the EU's GDPR.

As detailed in our feature article, data privacy is no longer an "IT department problem"; it is a boardroom liability. With administrative penalties capped at a staggering ₹250 Crore for security breaches and strict bans on tracking minors, the financial risk of non-compliance is existential. Furthermore, the legal obligation now rests entirely on the "Data Fiduciary" (your business), even if the breach occurs at your third-party cloud provider.

- **The Proactive Mandate:** We urge every client to commission a comprehensive Data Protection Impact Assessment (DPIA). You must overhaul your consent mechanisms, implement multilingual privacy notices, and strictly enforce data erasure policies for information that has outlived its purpose.

### Indirect Tax: Digital Agility

On the Indirect Tax front, February brought a flurry of essential updates. The CBIC's extension of the duty deferral period from 15 to 30 days for 'Eligible Manufacturer Importers' is a welcome relief for working capital management. Concurrently, the transition to mandatory electronic declarations via the Atithi App under the Baggage Rules 2026 underscores the government's relentless drive toward total digital compliance.

### 3. Domestic Resilience: Leveraging the Tamil Nadu Advantage

Amidst the global chaos, the domestic economy offers a formidable anchor. The Union Budget 2026-27's ₹12.2 lakh crore capital expenditure commitment provides massive visibility for infrastructure and manufacturing demand.

Zooming into our home state, Tamil Nadu's proactive industrial posturing is a beacon of opportunity. The state cabinet's recent clearance of 46 major investment projects, coupled with the strategic approval of 1,500 MWh Battery Energy Storage Systems (BESS), guarantees the round-the-clock green power required by global ESG mandates.

For the Coimbatore district, the foundational manufacturing clusters—engineering, textiles, and auto-components—are well-positioned. The launch of the New Integrated Textile Policy 2025–26 at CODISSIA offers crucial subventions, and the steady progress of the Coimbatore airport expansion promises to unlock new avenues for high-value exports and investor connectivity.

### Conclusion: Partnering for the Future

The coming months will test the agility of every enterprise. Businesses that wait for the dust to settle will find themselves outpaced by regulatory deadlines and crushed by supply chain bottlenecks.

Now is the time to build resilient frameworks. Whether it is re-evaluating your landed costs due to revised customs tariffs, mapping your data flows for DPDP compliance, or restructuring your tax planning for the 2026 regime, our firm stands ready to assist you.

We have established dedicated task forces within the firm to help you navigate the DPDP transition and the new Income Tax Rules. I encourage you to reach out to your respective engagement partners to schedule a strategic readiness workshop tailored to your specific industry.

Stay resilient, stay compliant, and let us navigate this transformative era together.

Warm regards,

**SPP & Co**

[Editors Desk]

# Contemporary Business Environment and Industry Outlook (March – June 2026)

## A Strategic Advisory for Businesses & Investors | As of 01 March 2026

The global and domestic business landscape stands at a complex intersection of immense domestic opportunity and severe external volatility. As we enter the final month of the financial year and look toward the first quarter of FY 2026-27 (April–June), businesses must navigate a dual reality. On one hand, India's macroeconomic fundamentals remain robust, supported by a capex-heavy Union Budget and proactive state-level industrial policies in Tamil Nadu. On the other hand, an unprecedented overnight geopolitical shock in the Middle East has drastically altered the near-term risk calculus.

This comprehensive report synthesizes the contemporary business environment across International, National, State (Tamil Nadu), and District (Coimbatore) levels, providing our clients with an actionable industry outlook for the March–June 2026 period.

### 1. International Environment: A Fragile Global Macroeconomic State

#### 1.1 Global Growth and Financial Conditions

According to the International Monetary Fund's World Economic Outlook Update (January 2026), global growth is projected to remain steady at approximately 3.3% for the year. Prior to the events of late February, the global narrative was one of continuing disinflation, allowing central banks to contemplate measured rate cuts. However, there is a significant divergence by region, with persistent uncertainty stemming from shifting trade policies and strategic industrial realignments.

Global macroeconomic stability currently hinges on three highly sensitive pressure points:

- **Energy prices** (specifically crude oil and LNG).
- **Sea-lane security** (Red Sea, Suez Canal, and the Strait of Hormuz).
- **Tariff and trade-policy volatility** (particularly US–China dynamics).

#### 1.2 Geopolitics, The "February 28 Shock," and Supply-Chain Risks

**A. Middle East Escalation: The Iran-Dubai Strike (Extreme Impact Risk)** The geopolitical landscape was fundamentally fractured on the night of **February 28, 2026**, following reports of a direct Iranian strike on targets in Dubai, UAE. This represents an unprecedented escalation in the Gulf.

- **Immediate Market Impact:** Crude benchmarks, which were already elevated due to supply outages in January (as noted in the International Energy Agency's February 2026

Oil Market Report), spiked violently as markets opened on March 1st.

- **Logistics Crisis:** Dubai serves as a vital transshipment and financial hub for global and Indian trade. The strike threatens the broader security of the Strait of Hormuz—a crucial chokepoint for global petroleum flows.
- **Implication for Mar–Jun 2026:** Businesses must brace for extreme oil price volatility, an immediate re-acceleration of global inflation, airspace closures, and skyrocketing maritime and aviation insurance premiums. Export-import (EXIM) cycles will face severe delays.

**B. Red Sea/Suez Maritime Disruptions** Even before the Dubai strike, maritime logistics were strained. S&P Global reports indicate that while partial traffic had resumed in the Red Sea, renewed Houthi threats sustained a high-risk environment. The combination of the Red Sea disruptions and the new crisis in the Persian Gulf will force extended shipping times around the Cape of Good Hope, severely impacting working capital cycles and driving up the cost of imported inputs.

**C. Russia–Ukraine Conflict** Now entering its fifth year, the conflict continues to act as a strategic drag on the global economy. Assessments from the Institute for the Study of War emphasize ongoing military pressure and diplomatic gridlock, sustaining risk premiums on European security, energy, and key agricultural commodities.

#### 1.3 Tariffs and Trade Policy Volatility

Trade-policy dynamics remain highly fluid. Supply-chain analytics (per Avalara reporting) indicate that global tariff positioning is unsettled, heavily influenced by industrial protectionism. Firms with cross-border supply chains must plan for rigorous tariff classification diligence, incorporate flexible price-adjustment clauses in long-term contracts, and actively pursue "China-Plus-One" or diversified sourcing strategies.

## 2. India: Domestic Resilience Amidst External Shocks

## 2.1 Monetary Policy and the Inflation Reality

The Reserve Bank of India (RBI), in its February 2026 policy decision, maintained the repo rate at 5.25% with a neutral stance. This reflected the central bank's comfort with benign domestic inflation—retail inflation (CPI) for January 2026 was recorded at an impressive 2.75% (Source: MoSPI).

**The March 2026 Reality Check:** While the base-case conditions for domestic consumption remain strong, the February 28th Middle East shock fundamentally alters the near-term inflation trajectory. The RBI will likely shift to a highly defensive posture to protect the Rupee and manage imported inflation driven by surging crude oil and disrupted logistics.

## 2.2 Fiscal Policy and Structural Growth

The Union Budget for 2026–27 provides a massive structural buffer against global headwinds. The government has committed to a public capital expenditure of ₹12.2 lakh crore, with a targeted push across manufacturing, electronics, semiconductors, biopharma, and logistics infrastructure (Source: Press Information Bureau). Budget analysis by SIDBI highlights that this policy posture is a direct response to global supply-chain fragility, placing immense emphasis on boosting MSME manufacturing competitiveness.

## 2.3 Climate and Operational Risks

Beyond economics, businesses must account for severe weather disruptions. The Indian Meteorological Department (IMD) has issued alerts for above-normal heatwave days across several regions from March to May 2026. This will have cascading operational impacts: surging peak power demand, potential water stress for wet-processing industries, and compromised labor productivity in labor-intensive sectors like construction and textiles.

## 3. Tamil Nadu: Policy Push and Industrial Deepening

### 3.1 Investment Cycle and Sector Diversification

Tamil Nadu continues to outpace national averages in investment mobilization. The state cabinet recently cleared 46 major investment projects, locking in massive capital expenditure and job creation across advanced manufacturing themes, including electronics, aerospace, life sciences, and industrial automation (Source: State Government/Media Reports).

### 3.2 Energy Transition: A Competitive Advantage

Recognizing the power demands of advanced manufacturing, Tamil Nadu has made aggressive moves to ensure energy security. The recent clearance of 1,500 MWh Battery Energy Storage System (BESS)

projects is a strategic masterstroke. This guarantees round-the-clock green power supply—a critical compliance requirement for export-oriented units dealing with stringent global ESG (Environmental, Social, and Governance) mandates.

### 3.3 Reinforcing Traditional Clusters

To protect its legacy industries, the state government recently launched the **New Integrated Textile Policy 2025–26** at CODISSIA in Coimbatore. This policy introduces critical amendments to interest subvention schemes, aiming to modernize the textile value chain and protect margins against global headwinds.

### 3.4 Budgetary Posture

The Tamil Nadu Finance Department's highlights for the 2026–27 budget indicate a balanced approach: continuing necessary social welfare programs while allocating significant capital for infrastructure development to support industrial corridors.

## 4. Coimbatore District: Local Dynamics and Sector Signals

### 4.1 The Core Economic Engine

Coimbatore remains the manufacturing backbone of South India, anchored in engineering goods, precision pumps and motors, traditional and technical textiles, auto/EV components, and a rapidly expanding IT/GCC (Global Capability Centers) ecosystem. However, Coimbatore's SME-led export economy is highly exposed to the Middle East. With Dubai serving as a primary trading post and capital source for many local businesses, the recent strikes will cause immediate disruptions to order fulfillments and payment cycles.

### 4.2 Infrastructure Catalysts

A major tailwind for the district is the continued progression of the Coimbatore International Airport expansion, targeted for completion by 2028 (Source: Parliamentary Updates/Aviation Ministry). This expansion is a material enabler for global business travel, high-value cargo exports, and overall investor connectivity.

### 4.3 Environmental and Tech Resilience

Coimbatore is increasingly adopting technology to solve regional challenges. Recent initiatives, such as the deployment of AI-equipped drone units to prevent elephant casualties on rail tracks in forest ranges, reflect a broader district-wide shift toward adopting advanced technological solutions for public and industrial management.

## 5. Industry Outlook for Mar–Jun 2026 (Sector-Wise Analysis)

## A. Manufacturing (Engineering, Aerospace, Defense, Automation)

- **Outlook:** *Cautiously Positive*
- **Drivers:** India's capex push and Tamil Nadu's project pipeline provide a strong domestic order book.
- **Risks:** For Coimbatore's foundries and precision engineering firms, imported input costs (fueled by energy and shipping spikes) will squeeze margins. Export demand to Europe and the Middle East faces immediate near-term peril due to the Dubai logistics freeze.

## B. Textiles and Technical Textiles

- **Outlook:** *Mixed (Policy Supported but Globally Strained)*
- **Drivers:** TN's New Integrated Textile Policy offers crucial subventions and cluster efficiencies.
- **Risks:** The spinning and garment sectors in Coimbatore and Tirupur are highly sensitive to freight costs. The dual closure/risk of the Red Sea and the Persian Gulf will severely delay European and Middle Eastern shipments. Furthermore, the upcoming March-May heatwave poses a threat to water-intensive processing units and labor availability.

## C. MSMEs and Credit

- **Outlook:** *Supportive, heavily reliant on Working Capital Management*
- **Drivers:** Central and State budgets heavily favor MSME formalization and credit access.
- **Risks:** Extended shipping routes mean longer cash conversion cycles. SMEs must secure proactive working-capital refinancing to survive the payment delays expected from Middle East buyers.

## D. Services (IT/ITES, GCCs, Logistics)

- **Outlook:** *Positive (IT) / Highly Volatile (Logistics)*
- **Drivers:** Global cost optimization continues to drive IT and GCC setups in tier-2 cities like Coimbatore.
- **Risks:** Freight forwarders and logistics service providers face a chaotic quarter. Managing

client expectations regarding insurance cost spikes and routing delays will be critical.

## E. Real Estate and Construction

- **Outlook:** *Moderately Positive*
- **Drivers:** Public infrastructure projects support heavy demand for construction materials.
- **Risks:** Execution delays due to impending severe heatwaves, coupled with potential spikes in cement and steel prices driven by transport fuel costs.

## F. Energy and Renewables

- **Outlook:** *Strong Structural Momentum*
- **Drivers:** TN's BESS initiatives make the state highly attractive for ESG-compliant manufacturing. Conversely, the crude oil shock underscores the urgent financial necessity for businesses to transition to solar and renewable captive power.

## 6. Executive Risk Register: Practical Monitoring Points

To navigate the Mar–Jun 2026 quarter, corporate boards and management teams should strictly monitor the following metrics:


1. **Geopolitical Fallout (The Gulf Crisis):** Daily tracking of the UAE/Iran conflict. Monitor airspace restrictions, port closures in Jebel Ali, and the War Risk Surcharges applied by maritime insurers.
2. **Brent Crude & ATF Pricing:** Energy prices will dictate logistics, aviation, and raw material inflation. Prepare for immediate fuel surcharge revisions from vendors.
3. **Liquidity & RBI Stance:** Watch for any emergency liquidity measures or shifts in the RBI's tone to combat imported inflation. Stress-test working capital reserves to withstand 60-to-90 day payment delays from overseas buyers.
4. **Heatwave Contingencies:** Implement state-level advisories for power usage, water recycling, and altered labor shift timings to protect worker health and operational output between March and May.
5. **Tariff and Compliance Shifts:** Maintain close liaison with customs brokers regarding dynamic trade compliance, specifically any retaliatory tariffs or emergency import duties.

**Conclusion** As of March 1, 2026, the operating environment is defined by a stark contrast. The domestic foundation—characterized by deep public capex, state-level industrial mobilization in Tamil Nadu, and the intrinsic


manufacturing resilience of the Coimbatore cluster—is remarkably strong. However, the overnight geopolitical escalation in Dubai has injected massive exogenous risk into the system.

Success over the next four months will not depend merely on growth strategies, but on **supply-chain agility, aggressive working capital management, and proactive risk mitigation.**


## CONTEMPORARY BUSINESS ENVIRONMENT & INDUSTRY OUTLOOK - AS OF 01 MARCH 2026




TAMIL NADU




**UNION BUDGET 2026-27:  
CAPEX PUSH**




**COIMBATORE: MANUFACTURING  
BACKBONE & MSME HUB**




**NEW INTEGRATED  
TEXTILE POLICY 2025-26**



AIRPORT




TOOLS




TECH


### INTERNATIONAL ENVIRONMENT: FRAGILE GLOBAL MACROECONOMIC STATE




FRAGMENTED GLOBAL  
MACROECONOMIC STATE




**VOLATILITY**  
GLOBAL GROWTH  
~3.3% (IMF)




**GEOPOLITICAL SHOCK:  
IRAN-DUBAI STRIKE (FEB 28, 2026)**



HOUTH  
THREAT




UKRAINE  
CONFLICT



TRADE  
BARRIER

### NAVIGATING THE DUAL REALITY















RBI MONETARY  
POLICY

FISCAL  
POLICY


CLIMATE &  
OPERATIONAL  
RISKS

### INDUSTRY OUTLOOK MAR-JUN 2026 (SECTOR-WISE ANALYSIS)

SECTOR	OUTLOOK	DRIVERS	RISKS
 MONETARY POLICY	 Growing	Increase in Ramonars, enichasis and mixtire economic finds	Crew and vecognized by the health enviroipment
 FISCAL	 Compentive	Increase rise economic reasons var need to economics	Risk in misasutamens to develop penaigmonit rakes
 CLIMATE	 Economic	Global increase and costs imparts by personal stronminy	Risk who ment of increased of its condations
 EENAIT	 Economic	Rnips-to pradire economt and global management	Prepares for hntura development of ads survey
 REDSTAL	 Corvention	Inccess in develorp; entitue operation, options granntion	Protects under working capital management risks
 INDUSTRY	 Growing	Increase in exhalation cfolura, economic and rielloers	Rasagement conbration demann risks

### EXECUTIVE RISK REGISTER: PRACTICAL MONITORING POINTS

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**CONCLUSION: SUPPLY-CHAIN AGILITY, WORKING CAPITAL MANAGEMENT, PROACTIVE RISK MITIGATION FOR SUCCESS**

# Preparing for a New Era of Tax Compliance: A Deep Dive into the Draft Income-tax Rules, 2026

India is standing on the threshold of a historic overhaul in its direct tax administration. With the new **Income-tax Act, 2025** scheduled to come into force on April 1, 2026, the Central Board of Direct Taxes (CBDT) recently took a monumental step toward operationalizing this framework.

On February 7, 2026, the CBDT released the **Draft Income-tax Rules, 2026** for public consultation. While the Act lays down the legislative principles, these Rules form the critical operational backbone—dictating exactly *how* taxpayers will calculate, report, and file their taxes.

As your trusted financial and tax advisors, we have analyzed this proposed framework. Below is a comprehensive breakdown of the CBDT's new philosophy, the radical reduction in compliance burdens, and the practical changes your business and personal finances must prepare for in the coming year.

## 1. The Core Philosophy: Simplification and Usability

For decades, the Income-tax Rules of 1962 have been patched, amended, and expanded, resulting in a complex web of compliance. The drafting of the 2026 Rules follows the guiding philosophy of the new Income-tax Act, 2025: **clarity over complexity**.

The CBDT has adopted a modern drafting approach that includes:

- **Simple and Clear Language:** Eliminating archaic legal jargon to minimize interpretational disputes and litigation.
- **Formulas and Tables:** Replacing long, complex narrative text with easy-to-understand formulas and structured tables.
- **Logical Structuring:** Reorganizing provisions so that taxpayers and professionals can navigate the tax framework intuitively.

Most importantly, the draft rules preserve the overall policy intent of the government. They align seamlessly with the substantive policy outcomes of the Income-tax Act, 2025, ensuring no unintended tax liabilities are triggered simply by the transition.

## 2. Elimination of Redundancy: A Leaner Tax Framework

Perhaps the most universally welcomed aspect of the Draft Rules is the aggressive pruning of obsolete compliance requirements. The CBDT has successfully consolidated overlapping provisions, leading to a drastically leaner rulebook:

- **Rules Reduced by 35%:** The framework trims the existing 511 rules down to just **333 rules**.
- **Forms Slashed by 50%:** The staggering 399 tax forms currently in existence have been consolidated into just **190 forms**.

For businesses, this means fewer overlapping references, less time spent deciphering which form applies to which transaction, and a more streamlined corporate compliance workflow.

## 3. The "Smart Form" Revolution

The reduction in the sheer number of forms is accompanied by a massive technological upgrade in how those forms function. The CBDT is moving away from static, "paper-first" documentation toward a system-integrated, digital-first reporting structure.

The redesigned forms (which will feature new numbering, e.g., the familiar Form 16 and Form 26AS will undergo nomenclature changes) are built around three pillars:

1. **Standardization:** Common information will be standardized across all forms, eliminating the need to repeatedly disclose the same details across different filings.
2. **Automated Reconciliation:** The forms are designed to automatically reconcile interconnected fields, flagging mismatches before the return is submitted.
3. **Prefilled Data:** Leveraging data from the Statement of Financial Transactions (SFT) and other centralized databases, forms will offer robust pre-fill capabilities, making the filing process faster, more intuitive, and significantly less error-prone.

## 4. Key Proposed Changes Impacting Taxpayers

While the primary goal is procedural simplification, the draft rules bring several practical updates that will directly impact our clients' day-to-day tax planning (effective FY 2026-27):

### A. Relief for Individuals and Salaried Employees

The draft rules propose significant upward revisions to allowances to reflect modern inflation (applicable primarily under the old tax regime).

- **HRA Expansion:** The 50% House Rent Allowance (HRA) exemption limit—previously restricted to Delhi, Mumbai, Kolkata, and Chennai—is proposed to be expanded to include **Bengaluru, Hyderabad, Pune, and Ahmedabad.**
- **Enhanced Allowances:** Proposed hikes include the Children’s Education Allowance (from ₹100 to ₹3,000 per month/child) and the Hostel Expenditure Allowance (from ₹300 to ₹9,000 per month/child).

- **Foreign Tax Credit (FTC):** For NRIs and multinational businesses, claiming FTC will see a tighter compliance net. The old Form 67 will be replaced, and claims involving substantial foreign tax payments will require explicit Chartered Accountant certifications to validate treaty benefits.

## B. Business and High-Value Transaction Reporting

- **PAN Quoting Thresholds:** To ease routine transactions while maintaining oversight, the draft proposes raising the threshold for mandatory PAN quoting in immovable property transactions from ₹10 lakh to **₹20 lakh.** However, cash deposit/withdrawal rules are being consolidated into an aggregate ₹10 lakh annual limit.
- **Stricter Rent and Audit Disclosures:** Employees claiming HRA will need to provide stricter proof of their relationship with the landlord to curb artificial claims. Additionally, tax audit forms for businesses will require deeper disclosures regarding accounting software and servers to align with the new digital reporting ecosystem.

## 5. Next Steps and the Road to April 2026

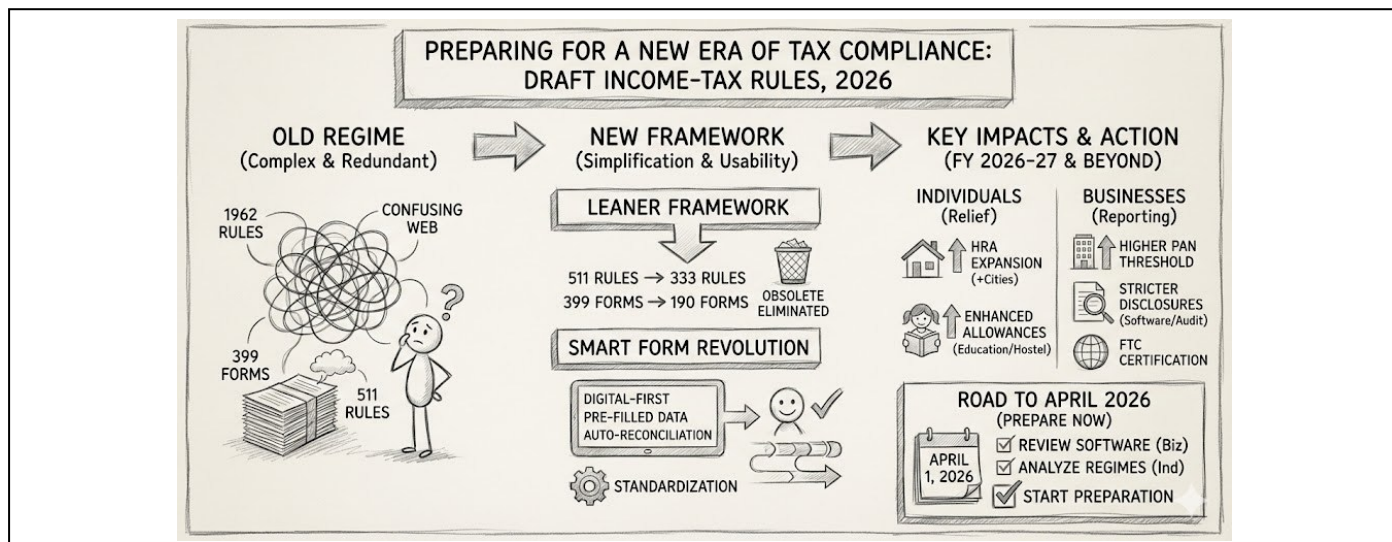
The CBDT opened these draft rules for public consultation through February 22, 2026, marking a highly participative approach to framing subordinate legislation. Following the review of stakeholder feedback, the Ministry of Finance is expected to formally notify the final rules shortly.

**What should you do now?** While the rules only take effect on April 1, 2026, preparation must begin now.

- **For Businesses:** We highly recommend reviewing your internal HR, payroll, and accounting software systems to ensure they can adapt to the new form numbering, automated reconciliations, and updated allowance structures.
- **For Individuals:** Understand how the expanded HRA and revised allowances might impact your choice between the Old and New Tax Regimes for the upcoming financial year.

**Our firm is currently mapping the transition from the 1962 Rules to the 2026 Rules.** We will be reaching out to our corporate and individual clients in the coming weeks to conduct transition planning sessions, ensuring that your tax strategy remains compliant, optimized, and seamlessly integrated with India’s new digital tax infrastructure.

*For detailed queries on how the Draft Income-tax Rules 2026 will specifically impact your industry or personal portfolio, please contact your engagement partner.*



# Digital Sovereignty and the New Era of Privacy: A Comprehensive Guide to the DPDP Act 2023

The global architecture of data protection has reached a critical juncture. As the world transitions deeper into a data-driven economy, the legal frameworks governing personal information have evolved from high-level aspirational principles to prescriptive, high-stakes regulatory regimes.

For businesses operating in India, the paradigm has officially shifted. The enactment of the **Digital Personal Data Protection (DPDP) Act, 2023**, supported by the detailed operational Rules notified recently, marks the end of the fragmented data privacy era and introduces a comprehensive, digital-first compliance landscape.

As your trusted compliance and advisory partners, we have prepared this detailed briefing to help you navigate this transition, understand how India's framework compares to global standards like the EU's GDPR, and outline the strategic steps your business must take to avoid severe regulatory penalties.

## 1. The Evolution: From the IT Act to the DPDP Act

Historically, India's data protection was governed by the Information Technology (IT) Act, 2000—specifically Section 43A and the SPDI (Sensitive Personal Data or Information) Rules of 2011. This legacy framework was limited; it only applied to narrow categories of "sensitive" data (like passwords and financial information) and primarily targeted "body corporates" with a reactive, compensation-based enforcement model.

The DPDP Act represents a fundamental departure. Triggered by the Supreme Court's 2017 ruling that privacy is a fundamental right, the new Act introduces a unified framework.

- **Abolition of SPDI:** The Act abolishes the distinction between general and "sensitive" personal data. All digital personal data is now protected uniformly.
- **Repeal of Legacy Laws:** The DPDP Act phases out the old regime, omitting Section 43A of the IT Act and rendering the SPDI Rules redundant.

## 2. Scope and Applicability: The "Digital-First" Reality

One of the most defining characteristics of the DPDP Act, especially when compared to the EU's General Data Protection Regulation (GDPR), is its scope.

### What is Covered?

The Act applies exclusively to **digital personal data**. This includes data originally collected in digital form

and manual/offline records that are subsequently digitized. Purely physical, paper-based records that never enter a digital system are excluded—a strategic move by the government to protect millions of traditional, offline MSMEs from immediate compliance burdens.

### Extraterritorial Reach

Like the GDPR, the DPDP Act reaches beyond India's borders. It applies to processing outside India if it is connected to the offering of goods or services to individuals (Data Principals) within India. *Note:* Unlike the GDPR, the Indian law does not explicitly list "behavioral monitoring" as a standalone trigger for extraterritorial application, though broad interpretations may still capture such activities.

### The "Public Data" Exemption

A crucial divergence from global norms is India's treatment of publicly available information. The DPDP Act strictly **excludes** personal data that the individual has deliberately made publicly available (e.g., a public social media profile or a public business directory). Under GDPR, such data still carries compliance baggage. India's exemption provides a significant operational advantage for tech startups, AI development, and large language model (LLM) training.

## 3. The New Compliance Architecture

The DPDP Act places the ultimate burden of compliance on the **Data Fiduciary** (the entity determining the purpose and means of processing data—i.e., your business). Even if you outsource payroll or IT hosting to a **Data Processor**, the legal liability for breaches rests with you.

### Consent and Multilingual Notice

Consent remains the bedrock of data processing. However, the mechanism has been dramatically upgraded.

- **Itemized Notice:** Before collecting data, businesses must provide a clear, itemized notice explaining exactly what data is being collected and why.
- **Multilingual Mandate:** In a nod to India's diversity, Data Principals must be given the option to view the notice and consent forms

in English or any of the **22 official languages** specified in the Eighth Schedule of the Constitution.

### The Innovation of "Consent Managers"

India is pioneering the concept of "Consent Managers." These are registered, neutral platforms that act as a single point of contact for individuals to give, manage, review, and withdraw their consent across multiple businesses. This aims to combat "consent fatigue" and operates similarly to Account Aggregators in the financial sector. Businesses should prepare their tech stacks to interoperate with these Consent Managers.

### Significant Data Fiduciaries (SDFs)

The government will designate certain high-volume or high-risk businesses as **Significant Data Fiduciaries (SDFs)**. If your business falls into this tier, you face stringent "hard" compliance requirements:

1. **Data Protection Officer (DPO):** You must appoint a resident DPO based in India who reports directly to your Board of Directors.
2. **Independent Data Auditor:** You must appoint an external auditor to evaluate your compliance periodically.
3. **Data Protection Impact Assessments (DPIA):** Annual risk assessments of your data processing activities are mandatory.

### 4. Comparing DPDP with GDPR and OECD Guidelines

For our multinational clients, understanding the delta between Indian law and global standards is critical. While rooted in the 1980 OECD Privacy Guidelines (which emphasize purpose limitation, security, and accountability), the DPDP Act carves its own path.

Feature	DPDP Act 2023 (India)	GDPR (EU)
<b>Penalty Structure</b>	Fixed statutory caps (up to ₹250 Crore). Focuses on administrative discipline. No compensation to individuals.	Turnover-based (up to 4% of global revenue or €20M). Allows individuals to sue for damages.
<b>Data Portability</b>	<b>No</b> explicit right to data portability.	<b>Yes</b> , right to receive data in a machine-readable format to move to competitors.
<b>Cross-Border Transfers</b>	<b>"Negative List" Approach:</b> Free transfer allowed unless the government explicitly restricts a specific country.	<b>"Adequacy" Approach:</b> Highly restrictive. Transfers only allowed to pre-approved countries or via strict standard contracts (SCCs).
<b>Children's Data</b>	Age threshold is <b>18</b> . Strict ban on tracking/targeted ads. Requires verifiable parental consent.	Age threshold is <b>16</b> (can be lowered to 13). Tracking is restricted but not universally banned.
<b>Right to Nominate</b>	<b>Yes</b> . Individuals can nominate someone to exercise their digital rights upon death/incapacity.	<b>No</b> specific equivalent.

### 5. Enforcement and the Financial Cost of Non-Compliance

The era of minor civil compensation is over. The DPDP Act introduces a punitive penalty regime enforced by the newly established **Data Protection Board of India (DPB)**. The DPB will operate as a "digital office," ensuring swift adjudication of complaints (often within 6 months).

Penalties are no longer tied to business turnover but are based on the specific nature of the violation:

- **Up to ₹250 Crore (~\$30M):** For failing to implement reasonable security safeguards, leading to a data breach.

- **Up to ₹200 Crore (~\$25M):** For failing to notify the DPB and affected individuals of a breach, or for violating obligations related to children's data.
- **Up to ₹50 Crore (~\$6M):** For breaches of other general provisions, including flawed notice or consent mechanisms.

*Crucially, the Act does not provide financial compensation to the individuals whose data is breached; the massive fines go straight to the government treasury. Your business risk is strictly regulatory and reputational.*

### 6. Security Safeguards: The 1-Year Logging Rule

Security is the operational heart of the Act. All businesses must implement "reasonable security safeguards" such as encryption, data masking, and tokenization.

Furthermore, detailed Rules mandate that Data Fiduciaries must maintain access logs and monitoring data for **at least 1 year**, *even if a user has withdrawn their consent or deleted their account*. This retention is a strict forensic requirement to assist the Data Protection Board in the event of a breach investigation.

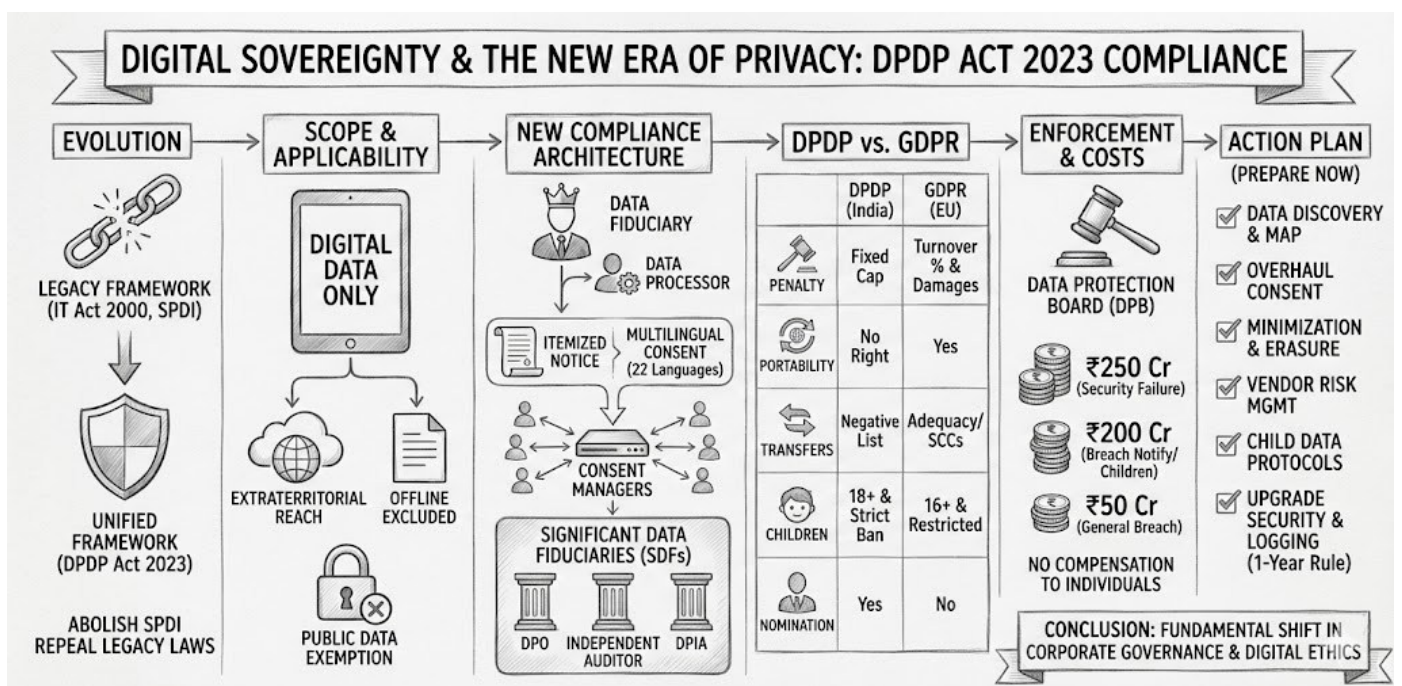
## 7. Action Plan: What Your Business Must Do Now

With the phased rollout currently underway, businesses cannot afford a wait-and-see approach. We strongly advise our clients to initiate the following roadmap:

- 1. Conduct a Data Discovery & Gap Assessment:** Map all the personal data your organization currently holds. Where is it stored? Why was it collected? Who has access to it?
- 2. Overhaul Consent and Notice Mechanisms:** Revise your privacy policies, website terms, and onboarding forms. Ensure you have itemized, multilingual
- 7.

## Conclusion

The DPDP Act 2023 is not merely an IT compliance exercise; it is a fundamental shift in corporate governance and digital ethics. While it lowers certain barriers to encourage business growth (such as easing cross-border transfers and exempting public data), its punitive mechanisms for security failures are unforgiving.



## Indian Identification & Registration Numbers – Detailed Reference Table

In today's regulatory and digital ecosystem, individuals and businesses operate through a wide array of identification, registration, and compliance numbers issued by various statutory and regulatory authorities. From taxation and corporate governance to foreign trade, labour compliance, and financial transactions, each number serves a distinct legal and administrative purpose. Maintaining clarity regarding the issuing authority, structural format, and validity period of these identifiers is essential for ensuring seamless compliance, avoiding penalties, and facilitating efficient documentation management.

The following consolidated reference table provides a structured overview of key identification and registration numbers relevant to individuals, professionals, and business entities in India.

S. No.	Document / Registration	Digits / Characters	Issuing Authority	Validity Period
1	Aadhaar Card	12 digits	UIDAI (Unique Identification Authority of India)	Lifetime (subject to update requirements)
2	PAN (Permanent Account Number)	10 characters (Alphanumeric)	Income Tax Department (CBDT)	Lifetime
3	TAN (Tax Deduction & Collection Account Number)	10 characters (Alphanumeric)		
4	Passport Number	8 characters (Alphanumeric)	Ministry of External Affairs	10 years (Adults) / 5 years (Minors)
5	Voter ID (EPIC)	10 characters (Alphanumeric)	Election Commission of India	Lifetime (subject to eligibility)
6	Driving Licence Number	15 Characters (Sarathi system)	State RTO	20 years or until age 40/50 (as applicable)
7	GSTIN	15 characters (Alphanumeric)	GST Department (CBIC / State GST)	Valid until cancellation/surrender
8	IEC (Import Export Code)	10 digits (PAN-based)	DGFT (Directorate General of Foreign Trade)	Lifetime (No renewal required)
9	CIN (Corporate Identification Number)	21 characters	Registrar of Companies (MCA)	Valid during company existence
10	LLPIN	7 characters (Alphanumeric)		Valid during LLP existence
11	DIN (Director Identification Number)	8 digits		Lifetime (subject to KYC compliance)
12	MSME (Udyam Registration Number)	19 characters	Ministry of MSME	Lifetime (subject to updation of details)
13	EPF UAN (Universal Account Number)	12 digits	EPFO	Lifetime
14	EPF Establishment Code	15 Alphanumeric		Valid till cancellation
15	ESIC Registration Number	17 digits	Employees' State Insurance Corporation	Valid till cancellation
16	Professional Tax Registration No.	Varies (State-specific)	State Commercial Tax Department	Valid till cancellation
17	Shop & Establishment Registration	Varies	Local Municipal Authority / Labour Dept.	Renewable (1–5 years depending on State)

S. No.	Document / Registration	Digits / Characters	Issuing Authority	Validity Period
18	FSSAI License Number	14 digits	Food Safety and Standards Authority of India	1–5 years (Renewable)
19	Importer Exporter GSTIN (for Customs)	Same as GSTIN	CBIC (Customs)	Valid till cancellation
20	IEC Branch Code	3 digits (suffix to IEC)	DGFT	Co-terminus with IEC
21	IFSC Code	11 characters	RBI (Allotted to Banks)	Valid till branch closure/merger
22	MICR Code	9 digits	RBI	Valid till branch operational
23	Credit Card Number	16 digits [15 / 14]	Concerned Bank/NBFC	Valid till expiry date
24	Debit Card Number	16 digits [15 / 14]	Concerned Bank	Valid till expiry date
25	CVV	3 digits [AE-4 dig]	Card Issuing Bank	Valid till card validity
26	LPG Consumer ID	17 digits	Concerned Oil Marketing Company	Valid till connection active
27	Vehicle Registration Number	10 characters (State format)	Regional Transport Office (RTO)	15 years (Private vehicles)
28	PPO (Pension Payment Order)	12 digits	EPFO / CGA / State Treasury	Lifetime
29	RERA Registration Number (Project)	10–20 characters (State format)	State RERA Authority	Project-specific validity
30	FCRA Registration Number	9 digits	Ministry of Home Affairs	5 years (Renewable)
31	CSR Registration Number (Form CSR-1)	11 characters	MCA	Valid till cancellation
32	Startup India Recognition Number	Alphanumeric (Varies)	DPIIT	Valid subject to eligibility
33	IEC-based AD Code	14 digits	Authorized Dealer Bank	Valid till modification
34	LEI (Legal Entity Identifier)	20 characters	GLEIF (through authorized issuers)	1 year (Annual renewal required)
35	GST E-Way Bill Number	12 digits	GST Portal	Valid per consignment period
36	TReDS Registration ID	Varies	RBI-authorized TReDS platform	Valid till cancellation
37	NPS PRAN	12 digits	PFRDA	Lifetime

Given the increasing integration of regulatory databases and the expansion of digital governance frameworks, accurate maintenance and timely updation of statutory identification numbers has become a critical compliance requirement. Businesses must periodically review registrations for validity, renewal obligations, KYC requirements, and inter-linkages (such as PAN-based registrations under GST, IEC, and corporate filings).

A proactive compliance approach—supported by systematic documentation controls—will significantly reduce operational risks, enhance regulatory transparency, and ensure readiness for statutory audits, inspections, and financial transactions.

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# Statutory updates: Feb-2026 [*Direct & Indirect & Corporate Laws*]

## Direct Tax Updates

For the month of February 2026, the Central Board of Direct Taxes (CBDT) has not issued any new circulars or notifications. The tax department is currently focused on post-budget implementations, the finalization of new income tax forms, and the transition to the newly proposed Draft Income-tax Rules, 2026. This deliberate pause in issuing notifications under the old law provides taxpayers and professionals a brief respite to prepare for the upcoming systemic changes currently in the pipeline.

## Indirect Tax Updates – February 2026

While direct tax announcements remained quiet, the indirect tax landscape saw significant activity this month. The Central Board of Indirect Taxes and Customs (CBIC) released several crucial notifications and circulars focusing on duty exemptions, digital compliance shifts, and trade facilitation measures. Below is a summary of the key customs updates impacting cross-border trade:

### Customs Notifications & Circulars

S. No.	Circular/Notification No. & Subject	Key Points
1	<b>Notification 01/2026 &amp; 02/2026</b>	<p><b>Exemption Extensions &amp; Sectoral Relief</b></p> <ul style="list-style-type: none"> <li>• Multiple Customs exemptions extended till 31 March 2028 (Notif. 01/2026 &amp; 02/2026).</li> <li>• Battery Energy Storage Systems (BESS) included under concessional EV entries.</li> <li>• Nil duty benefits for Nuclear Power Projects (valid till 30 September 2035 under Project Imports).</li> <li>• Expanded zero-duty list for life-saving drugs and rare disease treatments.</li> <li>• Rationalisation of Social Welfare Surcharge and AIDC including 0.5% rate for specified aircraft tyres.</li> </ul> <p><b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1010563/ENG/Notifications">https://taxinformation.cbic.gov.in/viewpdf/1010563/ENG/Notifications</a> &amp; <a href="https://taxinformation.cbic.gov.in/view-pdf/1010564/ENG/Notifications">https://taxinformation.cbic.gov.in/view-pdf/1010564/ENG/Notifications</a></p>
2	<b>Notification 14/2026 - Customs (N.T.)</b>	<p><b>Baggage Rules, 2026 – Digital Compliance Shift</b></p> <ul style="list-style-type: none"> <li>• ₹75,000 duty-free allowance (Residents/Long-term visa holders).</li> <li>• ₹25,000 allowance (Foreign tourists).</li> <li>• One laptop duty-free (above 18 years).</li> <li>• Mandatory electronic declaration via Atithi App / ICEGATE for dutiable goods.</li> <li>• Risk-based Red Channel clearance and digital record retention.</li> <li>• Rescission of earlier laptop &amp; Transfer of Residence notifications.</li> </ul> <p><b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1010571/ENG/Notifications">https://taxinformation.cbic.gov.in/viewpdf/1010571/ENG/Notifications</a></p>
3	<b>Circular No. 03/2026–Customs</b>	<p><b>Deferred Payment of Import Duty – 30 Day Window</b></p> <ul style="list-style-type: none"> <li>• Duty deferral period extended from 15 to 30 days (effective 1 March 2026).</li> <li>• Monthly duty payable by 1st of succeeding month (except March).</li> <li>• March dues payable by 31 March (no spillover).</li> <li>• Introduction of 'Eligible Manufacturer Importer' category (valid till 31 March 2028).</li> </ul> <p>Impact: Improved working capital management for trusted importers.</p> <p><b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1003303/ENG/Circulars">https://taxinformation.cbic.gov.in/viewpdf/1003303/ENG/Circulars</a></p>
4	<b>Notification 16/2026 - Customs (N.T.)</b>	<p><b>Tariff Value Revisions – February Trend</b></p> <p>Multiple notifications (16/2026 to 24/2026) revised tariff values for:</p> <ul style="list-style-type: none"> <li>• Crude Palm Oil (up to USD 1103/MT).</li> <li>• RBD Palmolein (up to USD 1131/MT).</li> <li>• Brass Scrap (revised up to USD 7391/MT; later adjusted).</li> <li>• Gold (increased up to USD 1664 per 10g).</li> <li>• Silver (fluctuated during month).</li> <li>• Areca Nut (revised to USD 7020/MT).</li> </ul> <p>Businesses must reassess landed cost and pricing strategies.</p>

		<b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1010576/ENG/Notifications">https://taxinformation.cbic.gov.in/viewpdf/1010576/ENG/Notifications</a>
5	<b>03/2026-Customs (ADD)</b>	<b>Anti-Dumping &amp; Export Incentives</b> <ul style="list-style-type: none"> <li>• Anti-Dumping Duty on Toluene Di-Isocyanate (TDI) continued for 5 years on imports from EU &amp; Saudi Arabia.</li> <li>• Revised AIR duty drawback rates for gold and silver jewellery (Notif. 21/2026).</li> <li>• Postal exports integrated digitally for Drawback, RoDTEP &amp; RoSCTL claims.</li> </ul> <b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1010583/ENG/Notifications">https://taxinformation.cbic.gov.in/viewpdf/1010583/ENG/Notifications</a>
4	<b>Circular No. 06/2026–Customs</b>	<b>Automation &amp; Trade Facilitation Measures</b> <ul style="list-style-type: none"> <li>• SWIFT 2.0 expansion – onboarding of CDSCO, WCCB, MeitY &amp; Textile Committee.</li> <li>• Auto Goods Registration, Auto Out of Charge (OOC), Auto Let Export Order (LEO).</li> <li>• Mandatory Body Worn Cameras during cargo examination.</li> <li>• System-based e-Scheduling for import examination nationwide by April 2026.</li> </ul> <b>Link:</b> <a href="https://taxinformation.cbic.gov.in/viewpdf/1003306/ENG/Circulars">https://taxinformation.cbic.gov.in/viewpdf/1003306/ENG/Circulars</a>

### **Recommended Client Action Points**

- ✓ Review exemption eligibility and documentation.
- ✓ Update import costing models for revised tariff values.
- ✓ Evaluate eligibility for deferred payment facility.
- ✓ Ensure ICEGATE registration & digital declaration readiness.
- ✓ Monitor Anti-Dumping exposure where applicable.

### **RBI Circulars – February 2026 Updates**

Throughout February 2026, the Reserve Bank of India (RBI) released a series of critical regulatory updates aimed at strengthening and streamlining the broader financial sector. These circulars introduce significant amendments for commercial and small finance banks, refine foreign exchange management reporting, and enhance the lending and grievance redressal frameworks to support MSMEs and consumers alike.

<b>RBI Circulars February - 2026</b>			
<b>Circular Number</b>	<b>Date Of Issue</b>	<b>Department</b>	<b>Subject</b>
RBI/DoR/2025-2026/224 DoR.GOV.REC.No.414/18.10.008/ 2025-26	26.2.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Miscellaneous) Amendment Directions, 2026
RBI/2025-2026/223 A.P. (DIR Series) Circular No. 23	18.2.2026	Foreign Exchange Department	Reporting under Foreign Exchange Management Act, 1999 – Returns pertaining to External Commercial Borrowing (ECB)
RBI/2025-2026/222 CO.FMRD.MIOD.No.8/11.01.057/ 2025-26	18.2.2026	Financial Markets Regulation Department	Unique Transaction Identifier for OTC Derivative Transactions
RBI/2025-2026/221 A.P. (DIR Series) Circular No. 22	16.2.2026	Foreign Exchange Department	Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026
RBI/2025-2026/220 FIDD.CO.LBS.BC.No.13/02.08.001/ 2025-26	16.2.2026	Financial Inclusion and Development Department	Formation of new district in the State of Haryana – Assignment of Lead Bank Responsibility
RBI/2025-2026/219 DOR.CRE.REC.410/21.04.018/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Financial Statements:

			Presentation and Disclosures) – Second Amendment Directions, 2026
RBI/2025-2026/218 DOR.CRE.REC.409/21-01-002/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
RBI/2025-2026/217 DOR.CRE.REC.408/07-03-002/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks - Concentration Risk Management) Amendment Directions, 2026
RBI/2025-2026/216 DOR.CRE.REC.407/07-01-002/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Small Finance Banks – Credit Facilities) Amendment Directions, 2026
RBI/2025-2026/215 DOR.CRE.REC.406/24-01-041/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) – Amendment Directions, 2026
RBI/2025-2026/214 DOR.CRE.REC.405/21.04.018/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) – Third Amendment Directions, 2026
RBI/2025-2026/213 DOR.CRE.REC.404/21-01-002/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026
RBI/2025-2026/212 DOR.CRE.REC.403/07-03-001/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Commercial Banks - Concentration Risk Management) Amendment Directions, 2026
RBI/2025-2026/211 DOR.CRE.REC.402/07-01-001/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Commercial Banks – Credit Facilities) Amendment Directions, 2026
RBI/2025-2026/210 DOR.STR.REC.413/21-07-001/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026
RBI/2025-2026/209 DOR.STR.REC.412/21-07-001/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026
RBI/2025-2026/208 DOR.STR.REC.411/21-04-048/ 2025-26	13.2.2026	Department of Regulation	Reserve Bank of India (Rural Co-operative Banks – Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026
RBI/2025-2026/207 CO.CEPD.PRS.No.S1121/13-01- 008/2025-2026	11.2.2026	Customer Service Department	Strengthening of Grievance Redress Mechanism in Banks – Review
RBI/2025-2026/206 FIDD.MSME & NFS.BC.No.12/06.02.31/ 2025-26	09.2.2026	Financial Inclusion and Development Department	Lending to Micro, Small & Medium Enterprises (MSME) Sector (Amendment) Directions, 2026
RBI/2025-2026/205 A.P. (DIR Series) Circular No. 21	06.2.2026	Financial Markets Regulation Department	Voluntary Retention Route – Imparting predictability and increasing ease of doing business
RBI/2025-2026/204 DoR.CO.SOG(Leg) No.401/09.08.024/ 2025-26	03.2.2026	Department of Regulation	All Agency Banks to remain open for public on March 31, 2026 (Tuesday)

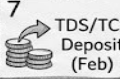




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## Compliance Corner: Mar-2026 Due Dates

Event Date	As per Act	Applicable Form	Obligation
<b>02-03-2026</b>	Income Tax	Form 26QB	Deposit of TDS u/s 194-IA on payment made for purchase of property in January.
		Form 26QC	Deposit of TDS u/s 194-IB @ 5% on total payment of Rent more than 50,000 pm by individual or HUF (not liable to tax audit) during FY 25-26, where lease has terminated in January (Else TDS is to be deposited on annual basis by 30 April of next year.)
		Form 26QD	Deposit of TDS on certain payments made by individual/HUF u/s 194M for January.
		Form 26QE	Deposit of TDS on transfer of virtual digital asset u/s 194S, by an exchange, for January.
<b>07-03-2026</b>	Income Tax	27C	e-Filing of Declaration received by seller in February from buyer for obtaining goods without collection of tax (TCS).
		Challan No. ITNS-281	Payment of TDS/TCS deducted/collected in February.
	FEMA	ECB-2	Return of External Commercial Borrowings for February.
<b>10-03-2026</b>	GST	GSTR-7	Monthly Return by Tax Deductors for February.
		GSTR-8	Monthly Return by e-commerce operators for February.
<b>11-03-2026</b>	GST	GSTR-1	"Monthly Return of Outward Supplies for February. "
<b>13-03-2026</b>	GST	IFF	Optional Upload of B2B invoices, Dr/Cr notes for February under QRMP scheme.
		GSTR-5	Monthly Return by Non-resident taxable person for February.
		GSTR-6	Monthly Return of Input Service Distributor for February.
<b>15-03-2026</b>	ESI	ESI Challan	ESI payment for February.
	PF	ECR	E-Payment of PF for February.
	Income Tax	Challan No.280	Payment of balance Advance Income Tax by ALL including assesseees covered under presumptive scheme of section 44AD / section 44ADA. Resident senior citizens not having business/profession income are exempt from paying advance tax.
		Form 24G	Details of Deposit of TDS/TCS of February by book entry by an office of the Government.
<b>17-03-2026</b>	Income Tax	Form 16B	Issue of TDS Certificate u/s 194-IA for TDS deducted on Purchase of Property in January.
		Form 16C	Issue of TDS Certificate for tax deducted on rent above 50,000 pm by certain individuals/HUF under Section 194-IB where lease has terminated in January.
		Form 16D	Issue of TDS Certificate for tax deducted u/s 194M on certain payments by individual/HUF in January.
		Form 16E	Issue of TDS Certificate for tax deducted u/s 194S on Virtual Digital Assets in January.
<b>20-03-2026</b>	GST	GSTR-5A	Monthly Return by persons outside India providing online information and data base access or retrieval services, for February.
		GSTR-1A	Add/amend particulars (other than GSTIN) in GSTR-1 of February. It can be filed after filing of GSTR-1 but before filing corresponding GSTR-3B.
		GSTR-3B	Summary Return cum Payment of Tax for February by Monthly filers. (other than QRMP).
<b>25-03-2026</b>	GST	PMT-06	Deposit of GST of February under QRMP scheme.
<b>28-03-2026</b>	GST	GSTR-11	Return by persons with Unique Identification Number (UIN) like embassies etc to get refund under GST for goods and services purchased by them, for February .
<b>30-03-2026</b>	Income Tax	Form 26QB	Deposit of TDS on payment made for purchase of property in February.

Event Date	As per Act	Applicable Form	Obligation
		Form 26QC	Deposit of TDS u/s 194-IB @ 5% on total payment of Rent more than 50,000 pm by individual or HUF (not liable to tax audit) during FY 25-26 where lease has terminated in February (Else TDS is to be deposited on annual basis by 30 April of next year.)
		Form 26QD	Deposit of TDS u/s 194M for February.
		Form 26QE	Deposit of TDS on Virtual Digital Assets u/s 194S for February.
31-03-2026	Accounting		Year Close
	GST	GST CMP-02	Opt for Composition scheme for FY 2026-27. Existing ones are not required to apply again.
		GST RFD-11	Online Application for Letter of Undertaking (LUT) for Exports & Supplies to SEZ without payment of tax in FY 2026-27.
		Annexure V /VI	For FY 26-27, GTA can change from Forward Charge mechanism to RCM or vice-versa by e-filing necessary declaration.
		-	Calculation of Aggregate Turnover of F.Y. 25-26 for various compliances related to F.Y. 26-27 like for QRMP scheme, Composition scheme, E-invoice applicability etc.
		Challan No.280	Payment of balance Advance Income Tax by ALL to save interest u/s 234B.
	Income Tax	-	Payment of life insurance premium, deposit of PPF etc. for saving tax of FY 25-26 under old regime.
		Form 67	Uploading of Statement of foreign income offered to tax and tax deducted or paid on such income in previous year 2024-25, to claim foreign tax credit if ITR furnished within the time specified under section 139(1) or section 139(4).
		-	Pay Outstanding dues of Micro & Small Enterprises of FY 25-26 to avoid disallowance u/s 43B. No Relief of payment till due date of ITR.
		ITR-1 to 7	Updated ITR for AY 2023-24 with 50% of aggregate tax and interest payable.
		ITR-1 to 7	Updated ITR for AY 2024-25 with 25% of aggregate tax and interest payable.
		24Q, 26Q, 27Q, 27EQ	"File Correction statements of FY 2018-19: Quarter 4 only, FY 2019-20 to FY 2022-23: All quarters and FY 2023-24: Quarters 1 to 3."
	Companies Act	-	Quarter 4 – Board Meeting of All Companies

### COMPLIANCE CALENDAR: MARCH 2026 (KEY DEADLINES)

Sun	Mon	Tue	Wed	Thu	Fri	Sat	NOTES & ACTION
1	2	3	4	5	6	7 	<input checked="" type="checkbox"/> Verify Vendor GSTINs <input type="checkbox"/> Reconcile GSTR-2A/2B <input type="checkbox"/> Plan for April 1st Changes (New IT Rules)
8	9	10	11	12	13	14	
15	15 Advance Tax (Final Inst.) PF/ESIC (Feb)	17	18	19	20 GST GST GSTR-3B (Feb)	21	
22	23	24	25 GST PMT-06 (QRMP)	26	27	28	
29	30	31 	 ITR-U (AY 23-24)  GST LUT (FY 26-27)  Year-End Closures				

## Current Rates Corner

### Policy Rates

Policy Repo Rate	5.25%
Standing Deposit Facility Rate	5.00%
Marginal Standing Facility Rate	5.50%
Bank Rate	5.50%
Fixed Reverse Repo Rate	3.35%

### Reserve Ratios

CRR	3.00%
SLR	18.00%

### Lending / Deposit Rates

Base Rate	8.35% - 10.00%
MCLR (Overnight)	7.70% - 7.95%
Savings Deposit Rate	2.50%
Term Deposit Rate > 1 Year	6.00% - 6.50%

### Exchange Rates (27<sup>th</sup> February 2026)

INR / 1 USD	90.9542
INR / 1 GBP	122.5408
INR / 1 EUR	107.3654
INR / 100 JPY	58.3400
INR / 1 AED	24.7628
INR / 10000 IDR	54.2378

### Money Market

Call Rates[27-Feb]	4.50% - 5.22%
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### Government Securities Market

6.03% GS 2029	5.8689%
6.01% GS 2030	6.2423%
6.48% GS 2035	6.6937%
6.68% GS 2040	7.0599%
7.24% GS 2055	7.3688%
91 day T-bills	5.2998%
182 day T-bills	5.5096%
364 day T-bills	5.5863%

### Capital Market [27-Feb-2026]

S&P BSE Sensex	81,287.19
Nifty 50	25,178.65

Source: www.rbi.org.in

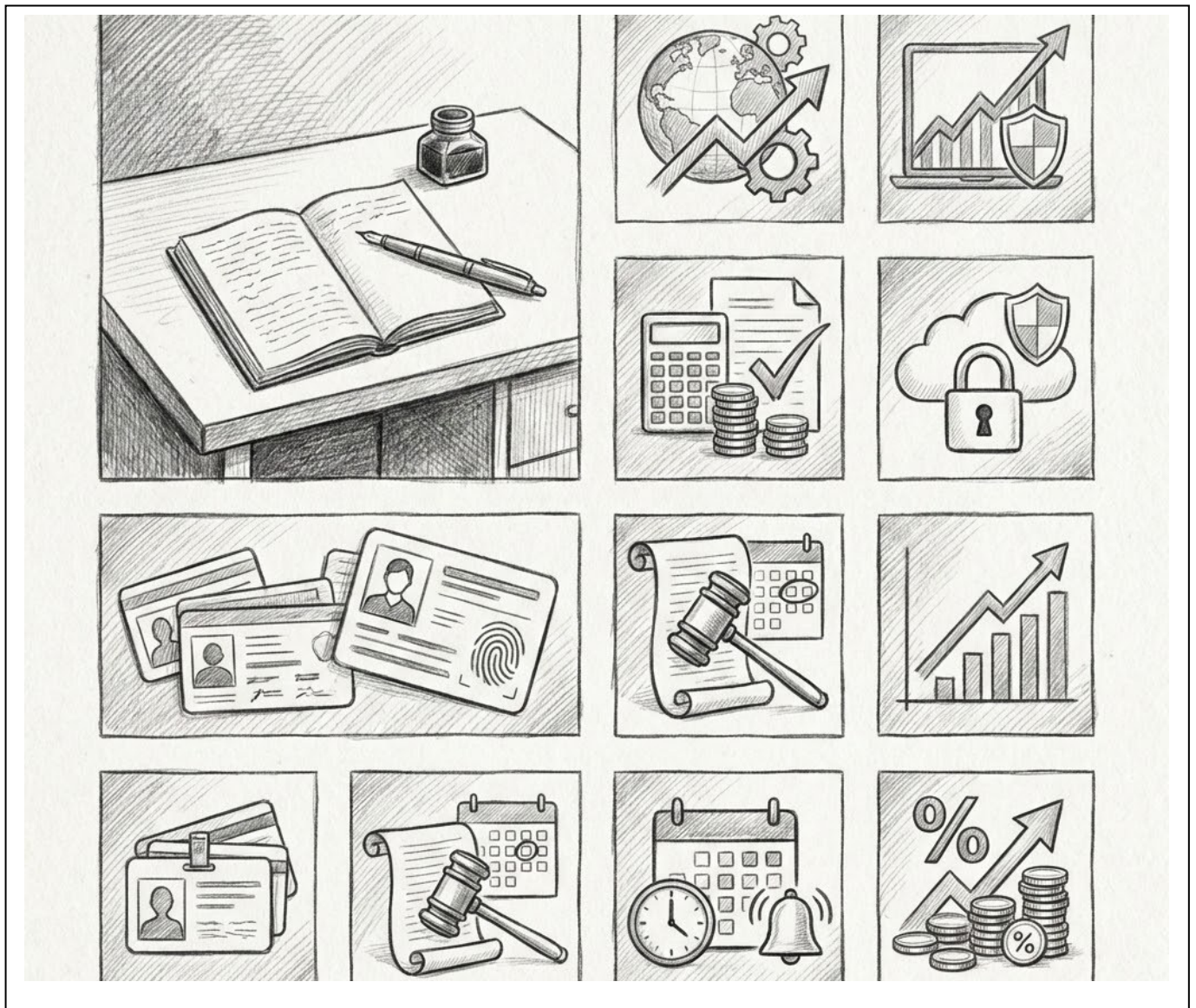
### USD to INR Chart +36.50% (10Y)

US Dollar to Indian Rupee

● 1 USD = 91.44 INR Mar 2, 2026, 07:24 UTC



Mar 5, 2016, 00:00 UTC - Mar 2, 2026, 07:25 UTC  
USD/INR close: 91.44 low: 63.3362 high: 92.0216



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