



Monthly Newsletter
May 2026

Rollout of Forms under Income Tax Rules, 2026

- ❑ To support the transition to the Income Tax Rules, 2026, the new Income Tax Forms have been made available on the e-Filing portal. New Forms can be accessed via: e-File → Income Tax Forms → File Income Tax Forms → Forms under Income Tax Act, 2025 → Select the form (as applicable). Kindly refer to the "[Form Navigator](#)" and "**Notification No.-22/2026**" for more details regarding new forms.

New Integrated Payment Module Goes Live on e-Filing Portal

- ❑ Seamless payments have now been enabled across both the Income-tax Act, 1961 and the Income-tax Act, 2025. With this enhancement, taxpayers can conveniently make payments under the existing Income-tax Act, 1961 for dues up to FY 2025-26, as well as under the Income-tax Act, 2025 for Tax Year 2026-27 onwards—all from a single interface.

TDS payment for Tax Year 2026-27

- ❑ For Tax Year 2026–27 and subsequent years, Form ITNS 281N will be used for TDS and TCS payments. A single challan may be used for multiple section codes, including TCS, subject to a maximum of 20 section codes per challan. Separate challans will be required based on deductee type (corporate/non-corporate) and status (resident/non-resident). It is important to verify the deductee's PAN status using the "Verify PAN Status" option available under Quick Links on the e-Filing portal. If the PAN is inoperative, higher TCS/TDS rates will apply as per section 397(2) of the Income-tax Act 2025.

Introduction of IMS Offline Tool (GST)

- ❑ The Invoice Management System (IMS) was introduced on the GST portal from October 2024 tax period. The tool enabled the taxpayers to take actions on invoices uploaded by their suppliers through GSTR-1, GSTR-1A, or IFF, including accepting, rejecting, or keeping such records pending in the system.
- ❑ To continuously enhance the taxpayer convenience and facilitate ease of compliance, an IMS Offline Tool has now been introduced in the GST system. The said offline tool is based on MS excel, making it easy to use by the taxpayers and to enable them to undertake actions on both individual as well as bulk invoices in an efficient manner.

Pre-deposit Percentage on the GST Portal (GST)

- ❑ While filing an appeal in Form APL-01 on the GST portal, the pre-deposit percentage is auto-populated as 10%, in accordance with Section 107(6) of the CGST Act, 2017, which was previously non-editable. Due to this restriction, taxpayers faced difficulties in cases where

the pre-deposit had already been made through other means or where the demand amount was incorrectly reflected under the appropriate head.

- ❑ To address these issues, GSTN has from 6.4.2026, made the pre-deposit field editable at the time of filing of the appeal. This allows taxpayers to modify the pre-deposit percentage as applicable to their specific case and calculate and pay the required amount accordingly while submitting the appeal. The appellate authority will subsequently verify the correctness of the pre-deposit amount and the mode of payment during the adjudication of the appeal.

Company Law Talk

Revision in fee structure for filing DIR 3

- ❑ MCA has amended Companies (Registration Offices and Fees) Rules, 2014, revising filing fees for Form no. DIR - 3 KYC Web under different circumstances. The revised fee structure will be applicable from 21.4.2026. Form no. DIR-3 KYC Web is prescribed for undertaking Know Your Customer (KYC) compliance of Directors holding a Director Identification Number (DIN).

<https://www.mca.gov.in/bin/dms/getdocument?mids=cHzM3f5mBxK313495dz2yg%253D%253D&type=open>

FAQs on Companies Compliance Facilitation Scheme 2026

- ❑ The MCA has recently issued FAQs clarifying operational aspects of the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026).
- ❑ CCFS-2026 is a one time scheme introduced to enable companies to file overdue annual returns, financial statements, and certain other relevant e forms by paying



concessional fees. The Scheme has come into force on 15.4.2026 and will remain in force up to 15.7.2026.

- ❑ Key clarifications given in the FAQs include:
 - **Eligibility Clarified:**
The Scheme is available to most companies, except entities already under final strike-off action, dissolved/amalgamated companies, vanishing companies, and certain companies already in closure/dormancy process.
 - **Coverage of Pending Filings:**
FAQs confirm that the Scheme covers key annual filing forms including AOC-4, MGT-7/MGT-7A, ADT-1, FC-3, FC-4, and certain legacy forms.
 - **Reduced Additional Fees:**
Companies may file covered forms by paying only 10% of applicable additional fees (plus normal filing fees), significantly reducing historical filing burdens.
 - **Dormancy / Strike-Off Relief:**
FAQs also clarify concessional fee treatment for dormant status applications and strike-off filings under the Scheme framework.
 - **Post-Scheme Enforcement Warning:**
MCA has indicated that Registrars may initiate stricter enforcement against non-compliant companies that fail to avail the Scheme.

<https://www.mca.gov.in/bin/dms/getdocument?mids=22HU6edu63wcOynHQHGsQ%253D%253D&type=open>

FEMA Talk

Changes in FDI Policy on Investments from Countries sharing Land Border with India

- ❑ The Government of India has relaxed FDI norms for countries sharing a land border with India (including China, Pakistan, Bangladesh, Nepal, Bhutan, Myanmar and Afghanistan). The key relaxations and amendments, as outlined below, aim to improve ease of doing business, while retaining control over critical sectors and national security safeguards.
 - **Automatic Route** - Investments from land-bordering countries are permitted under automatic route if the beneficial ownership is up to 10% and non-controlling (previously requiring mandatory government approval). These investments will require specific reporting to the RBI.
 - **Government Approval** - The restriction now applies only if the beneficial ownership exceeds 10%.
 - **Time-bound Approvals** - For investments that still require Government approval, a time-bound approval

process of 60 days has been introduced.

- ❑ The Ministry of Finance has on 1.5.2026 notified the amendment in Foreign Exchange Management (Non-debt Instruments) Rules 2019 to give effect to the revised FDI policy.

Changes in FDI Policy on Insurance Sector

- ❑ The Government of India has reviewed the extant FDI Policy on Insurance Sector and has made the following amendments:
 - **Automatic Route in Insurance Companies** – 100% FDI is allowed in Insurance companies under the Automatic Route, subject to specified conditions.
 - **Cap on LIC of India** – 20% FDI is allowed in the LIC of India under the Automatic Route, subject to specified conditions.
 - **Automatic Route in Insurance Intermediaries** – 100% FDI is allowed in the Insurance Intermediaries such as insurance brokers, reinsurance brokers, insurance consultants etc., subject to specified conditions.

Editorial Team

Deepali Mathur

Taxation

deepali.mathur@inventureadvisers.com

+91 97800 25978

Payal Chowdhary

Secretarial

payal.chowdhary@inventureadvisers.com

+91 85879 83180

C.P. Grover

FEMA

cp.grover@inventureadvisers.com

+91 98107 30151





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For further information on how we can help address your tax issues and compliance requirements, please contact any of our expert team or write to us at enquiries@inventureadvisers.com.

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