

New Financial Year 2026-27: A Landmark Era of Reform

Navigating the New Income Tax Act & Labour Codes

"Everything you knew about Indian Tax and Labour Law changed this morning. Are you ready for FY 2026-27?"

Welcome to FY 2026-27!

Happy New Financial Year!

Wishing you a prosperous and successful 2026-2027.

The Big Change: Today marks the end of the 65-year-old Income Tax Act, 1961.

India transitions into a simplified, modern legal framework of New Income Tax Act, 2025 starting **today, 1st April 2026.**

The New Income Tax Act, 2025

Goodbye 1961, Hello 2025!

Key Highlights:

- **The "Tax Year":** No more confusing "Previous Year" vs "Assessment Year." It is now simply the **Tax Year**.
- **Plain English:** Legal jargon has been replaced with simple, readable language.
- **Streamlined:** Reduced sections, fewer rules, and zero redundancy.

What Changes for Taxpayers?

Practical Impact on Your Taxes

Salaried Employees: Revised (upward) limits for exempted allowances (primarily for the Old Tax Regime).

Forms: All old forms are retired. Check the new form numbers before filing.

Consolidation: TDS & TCS rates are now unified under **Sections 393 & 394.**

Unified Payments & Compliance

Tech-First Compliance

Integrated Module: A live, unified payment portal for Advance Tax, Self-Assessment, TDS, TCS and other payments.

The Transition: Remember – compliances up to **31st March 2026** are still governed by the old 1961 Act.

The new law applies to income earned from today onwards.

The 4 New Labour Codes

Revolutionizing the Workforce

The Vibrant Four:

1. **Code on Wages, 2019**
2. **Code on Social Security, 2020**
3. **Occupational Safety, Health & Working Conditions Code, 2020**
4. **Industrial Relations Code, 2020**

Status: Notified on 21st Nov 2025; **Effective NOW.**

Why it Matters for Employers

Re-evaluating Your HR Strategy

Central Rules are finalized; State Rules are rolling out.

Payroll structures must be audited immediately.

HR processes require a total "relook" to stay compliant with the **NLC (New Labour Codes)**.

Action Plan for Organizations

5 Steps to Stay Compliant

Restructure Salaries: Optimize for tax and minimize statutory liability.

Consult Experts: Impact assessment is critical.

Train Teams: Upskill your Finance and HR departments.

Update Systems: Align your ERP/Software with new requirements.

Audit: Conduct post-implementation checks.

The Success Mantra

"Learn, Unlearn, and Relearn"

Change is constant.

Compliance is inevitable.

Progress belongs to those who adapt.

Don't just survive the transition—**thrive in it.**

Let's Navigate This Together

Need Guidance?

These laws significantly impact business operations and finances.

Seek professional advice to ensure a smooth transition.

Wishing you all the success and prosperity!!