

Things to Consider at The End of March

- 1-** **Advance Tax:** If Taxpayers have not paid Advance tax before 15th March, then it shall be paid before 31st March so that less interest will be levied.
- 2-** **Investment for Deduction:** If deduction u/s 80 is to be claimed in Income tax for F.Y. 2025-26, then every taxpayer should verify the limits of Income tax and their tax liability and should invest, donate, etc. before 31st March 2026.
- 3-** **TDS on Salary:** Salaried Employees should give the details of Investments and deductions to the Employer so that less TDS will be deducted in the month of March.

4- **Form 15 G/ H** – The taxpayers who have income only from interest and the income is less than the prescribed limit, then can file a declaration manually or online in Form 15 G/ H.

5- **A Closing Stock Verification** – The taxpayers should do the verification of Stock at the year's end. Along with that, verification of immovable property should also be done and match them with book value.

6- **Comparative Balance sheet and Profit and loss A/c** – Taxpayers should prepare a Comparative Balance sheet and Profit and loss A/c for the year. So that they will come to know the total turnover, Profit – loss, Expenditure, etc, similarly, check the accounting ratios also.

7- **Annual Information Statement (Form 26AS)**: Verify TDS as per form 26AS and books of account and cross check with AIS/TIS.

- 8- **Capital Gain** – Losses Incurred in the F.Y.2025-26 Can be Used to reduce Taxable income, to Set Off and Carry forward such Losses, it is Important to book these Losses before the 31st March 2026
- 9- **Review OLD vs NEW Tax Regime** – A comparative analysis should be undertaken considering income structure and eligible deduction to Choosing the right tax regime helps save tax as the old tax regime allows to claim vast deductions but a stringent Tax slab rates.
- 10- **PAN- Aadhar Linkage** – While the deadline for mandatory linkage has passed, verify that your PAN and Aadhaar are successfully linked to avoid higher TDS deduction and other restrictions.
- 11- **Bank & Cash Reconciliation** – It is important to complete bank reconciliation and verify cash balances so that all financial records accurately reflect the actual position as on 31st March 2026.

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12- **Inter / Intra Group Transactions Review** – All inter-company and intra-group transactions should be reviewed, reconciled, and properly recorded to ensure accuracy, eliminate mismatches, and maintain transparency in financial reporting

13- **Related Party Transactions Review** – All related party transactions should be properly recorded and reviewed to ensure compliance with applicable regulatory requirements and transparency in financial statements

14- **Verification of Statutory & Employee Dues**– Clients should review all statutory dues such as GST, TDS, PF, ESI, and ensure they are correctly calculated and deposited within due dates. All employee-related dues including salaries, bonuses, and reimbursements should also be properly recorded and cleared.

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Year-End Closing Readiness - Clients should ensure that all financial data is updated, reconciled, and finalized so that books can be closed smoothly and audit can begin without delays.

16-

GSTR Reconciliation – Clients should reconcile GST returns (GSTR-1 and GSTR-3B) with books of accounts to ensure that turnover, tax liability, and input tax credit are correctly reported, and any mismatches or omissions are identified and rectified before the year-end.

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Final Closing Entries– Clients should ensure that all final closing entries, including depreciation on fixed assets, provisions, accruals, and other necessary adjustments, are properly recorded to present a true and fair view of the financial statements as at 31st March 2026.

18- **MSME Payment Compliance – Sec 43B(h) –** Expenses payable to Micro & Small Enterprises are disallowed if not paid within 15/45 days. Taxpayers should clear MSME dues before 31st March to avoid tax disallowance.

19- **TDS on Year-End Provisions & Sec 194T –** TDS must be deducted even on provisions made on 31st March. Failure may lead to 30% disallowance of expenses. Also, Sec 194T (new section) requires TDS on partner payments (salary, interest, commission, etc.) exceeding ₹20,000.

20- **Cash Transaction Restrictions –** Ensure compliance with cash limits: expenses above ₹10,000 are disallowed, cash receipts \geq ₹2 lakh are prohibited, and loans/deposits \geq ₹20,000 in cash are not allowed. Non-compliance may attract heavy penalties.

21- **Chapter VI-A Deductions-** Most deductions under Chapter VI-A are allowed only on a payment basis. Ensure investments/payments under Sec 80C, 80D, 80G, and 80CCD(1B) are completed before 31st March to claim tax benefits.