

Just 5 Minutes

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INCOME TAX

1. *Finance Act 2026 received assent*

The Finance Act, 2026, received the President's assent on March 30, 2026, thereby giving legal effect to the provisions proposed in the Finance Bill. The Act brings into force amendments to direct & indirect taxes, as well as other measures.

2. *New PAN data correction forms notified*

The Central Board of Direct Taxes (CBDT) has notified two forms for furnishing an application for correction of PAN, namely: a) Form PAN CR-01 for individuals; and b) Form PAN CR-02 for non-individuals.

3. *Govt. notifies protocol amending India-Brazil DTAA*

The Central Board of Direct Taxes (CBDT) has notified that the Protocol, amending the Convention and the Protocol between the Government of the Republic of India and the Government of the Federative Republic of Brazil for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

INCOME TAX

4. *New ITR Forms released*

The Central Board of Direct Taxes has released the Income-tax return (ITR) forms applicable for the Assessment Year 2026-27. Taxpayers are required to use the notified forms to file returns for income earned during the Financial Year 2025-26.

5. *UIN for Form 121*

The CBDT has notified the procedure, formats, and standards for generation and allotment of a 26-character Unique Identification Number (UIN) for each Form 121 (Applicable where no TDS is required under Section 393(6) of the Income-tax Act, 2025) declaration (Part A), effective from 1 April 2026. The UIN will comprise a sequence number (10 characters), tax year (6 digits), and the payer's TAN (10 characters).

COMPANIES ACT

1. *Amended Director KYC framework*

The Ministry of Corporate Affairs (MCA) has amended the DIR-3 KYC framework to simplify compliance for directors. Here are the key changes:

- *Filing Frequency* : Directors holding a DIN as on March 31st of a financial year are now required to file Form DIR-3 KYC Web once every 3 consecutive financial years, on or before 30th June.
- *Updates* : Any change in mobile number, email ID, or residential address must be updated within 30 days through DIR-3 KYC Web, along with the prescribed fee.
- *Unified Form* : Form DIR-3 KYC and DIR-3 KYC Web have been merged and replaced with a single form - DIR-3 KYC Web.
- *Effective Date* : These amendments are effective from March 31, 2026.

COMPANIES ACT

2. *Corporate Laws (Amendment) Bill, 2026*

The *Corporate Laws (Amendment) Bill, 2026* introduced, seeks to amend the Companies Act 2013 and the LLP Act 2008 to improve the ease of doing business and modernise governance.

Key Highlights of the Bill are

- ***Decriminalisation:*** Over 20 minor/technical offences are shifted to an electronic e-adjudication system, replacing imprisonment with civil penalties.
- ***CSR Reforms:*** Raises the mandatory CSR net profit threshold to ₹10 crore, extends the unspent fund transfer deadline to 90 days, and offers exemptions for smaller spending amounts.
- ***Digital Governance:*** Formally permits virtual/hybrid AGMs/EGMs while requiring a physical AGM once every three years.
- ***Small Company Relief:*** Doubles the "small company" thresholds to ₹20 crore (capital) and ₹200 crore (turnover) and relaxes board meeting requirements.
- ***Regulatory Oversight:*** Strengthens the NFRA and designates IBBI as the valuation authority.
- ***IFSC & LLP:*** Simplifies conversion for trusts into LLPs and allows foreign currency accounting in IFSCs.

LABOUR LAW

1. *Haryana exempts shops and establishments from operating hours and weekly closure provisions under self-certification regime*

The Government of Haryana has issued a notification under the Haryana Shops and Commercial Establishments Act, 1958 (“Act”), granting exemption to shops and commercial establishments from certain operational provisions, subject to prescribed conditions, through an online, self-certification mechanism. The notification comes into effect from March 30, 2026.

Key Highlights:

- Exemption from provisions relating to opening and closing hours and mandatory weekly closure.
- Employment of women during night shifts (between 8:00 PM and 6:00 AM) is permitted.
- The total working hours of an employee shall not exceed 48 hours in a week and 10 hours in a day.
- The spread-over of working hours, including rest intervals, shall not exceed 12 hours in a day.
- Employees are required to be provided a rest interval of at least ½ hour after working for a maximum of 6 hours continuously
- Overtime wages are required to be paid at twice the normal rate of wages.

CASE LAWS - INCOME TAX

1. *International Bridge Technologies Middle East DMCC v. DCIT, Intl Taxation*

It has been held that where assessee, a UAE resident company, provided design support services for a sea link project under an agreement transferring complete ownership of all project-specific designs and drawings to Systra India for a lump-sum professional fee, such consideration was for outright transfer of title, not for use or right to use any design, and thus did not constitute royalty under Article 12(3) of India-UAE DTAA and was not taxable in India.

2. *Keysight Technologies International India (P.) Ltd. v. Dy. CIT, Circle-13(1)*

It has been held that where assessee earned foreign exchange fluctuation gains or incurred losses arising from revenue transactions, such gains or losses are to be treated as operating in nature while computing profit level indicator in comparability analysis.

CASE LAWS - INCOME TAX

3. *Huntsman Investment [Netherlands] BV v. A.D.I.T, International Taxation*

It has been held that where assessee, a Netherlands company, derived capital gains arising from buy-back of shares by its Indian subsidiary, such transaction being transfer of shares within same corporate group constituting corporate reorganisation, such gains were taxable only in Netherlands under Article 13(5) of India-Netherlands DTAA and hence not taxable in India.

4. *Vodafone Idea Ltd. v. Asstt. CIT, Circel-26(2)*

It has been held that where discount was extended to prepaid distributors, such discount did not constitute commission attracting deduction of tax under section 194H, and therefore no disallowance under section 40(a)(ia) could arise on failure to deduct tax at source.

CASE LAWS - INDIRECT TAX

1. *Oam Industries India (P) Ltd. v. Maharashtra Airport Development Company Ltd.*

It has been held by High Court of Bombay that where lessor failed to raise invoice within time limit prescribed under CGST Act, burden of interest on delayed payment of GST could not be transferred on lessee, this interest amount recovered from lessee was to be refunded by lessor.

Greenhouse gas Emission Intensity (GEI) reduction targets for two years, beginning 2025-26

India's Ministry of Environment, Forest and Climate Change recently came out with a draft notification setting greenhouse gas emission intensity (GEI) reduction targets for two years, beginning 2025-26, covering 282 obligated entities in various sectors such as aluminium, cement, pulp & paper and chlor-alkali. GEI means Greenhouse Gases Emission Intensity in tCO₂e/equivalent output or product.

Key Highlights of the Rules

GEI Targets Calculation: As per Bureau of Energy Efficiency's methodology, specific to each obligated entity as listed in the Schedule.

Compliance Requirements for Obligated Entities: They must meet GEI targets annually as per the Carbon Credit Trading Scheme, 2023.

May also purchase carbon credit certificates from the Indian Carbon Market (ICM) to offset shortfalls.

Environmental Compensation: To be imposed by the Central Pollution Control Board (CPCB), equal to twice of the average price at which carbon credit certificate is traded in the compliance year, payable within 90 days.

Legal Backing: Non-compliance or rule violations is addressed under the Environmental Protection Act, 1986. Objections or suggestions to the draft notification, if any, may be addressed to the Joint Secretary, Ministry of Environment,

Forest and Climate Change, Indira Paryavaran Bhawan, Jor Bagh Road, New Delhi - 110003, and may be sent to e-mail id: ccts.hsm-moefcc@gov.in

It may be noted that the said notification shall be taken into consideration on or after the expiry of a period of sixty (60) days from the date of publication of the draft in the official Gazette.

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