Just 5 Minutes

TAXCON® INDIA PRIVATE LIMITED

INCOME TAX

1. *CII for FY 2026-27*

The Central Board of Direct Taxes (CBDT) has notified '384' as the Cost Inflation Index (CII) for the Financial Year 2026-27.

2. *Compliance relief to charitable trusts and NGOs*

The CBDT has condoned the delay in filing Form No. 10AB for renewal of approval under section 80G(5) where the application was furnished electronically between October 01, 2025 and March 31, 2026. It has also directed the jurisdictional PCIT/CIT to dispose of such applications on the merits by December 31, 2026, including cases rejected solely on the ground of delayed filing

COMPANIES ACT

1. *Extension of CCFS 2026 immunity Scheme*

The Ministry of Corporate Affairs (MCA) has extended the Companies Compliance Facilitation Scheme, 2026 (CCFS-2026) deadline upto August 31, 2026. Originally set to end on 15 July, the extension was granted due to portal disruptions caused by a fire incident at the MCA data centre. Companies can use this extended window to file pending statutory documents (such as AOC-4, MGT-7, ADT-1, etc.) and regularize their registry status while paying heavily discounted additional fees (only 10% of the normal additional fee).

FEMA/ RBI

1. *Due date extended for filing FLA*

RBI has extended the date for filing the Foreign Liability and Assets (FLA) Return for the FY 2025-26 upto July 31, 2026. The due date for filing was July 15, 2026.

CASE LAWS - INCOME TAX

1. *CIT v. Ernst & Young U.S. LLP*

The Delhi High Court has held that secondment reimbursements are taxable under India–USA DTAA as fees for Technical / Included Services under Section 9(1)(vii) of the Income-tax Act and Article 12 of the India–USA DTAA. It further held that the "make available" test was satisfied because the seconded employees were not merely rendering services, but were also transferring group methodology, standards, policies, training and know-how to Indian entities.

2. *Raj Ajudhianath Kaul v. ITO*

It has been held that where assessee, a German tax-resident individual, rendered marketing, business development and advisory services to Indian companies without having any fixed base in India, receipts derived from such independent professional services based on personal expertise and business knowledge were taxable only in Germany under article 14 of India-Germany DTAA and not as fees for technical services under article 12

CASE LAWS - INCOME TAX

3. CG Power and Industrial Solutions Ltd. v. ACIT

Where assessee, engaged in export business, entered into foreign exchange forward contracts to hedge export receivables and recognized mark-to-market loss at year-end in line with AS-11, such loss, arising from scientific valuation of existing business obligations and not for speculation, constituted genuine business loss allowable under section 37(1) as business expenditure

4. Madan Singh v. Income-tax Officer

It has been held that where assessee operating a Mother Dairy booth received commission on sales made on behalf of principal and AO wrongly treated entire sales as assessee's turnover for purposes of section 44AB, only commission receipts constituted turnover, and penalty under section 271B for failure to get accounts audited was not sustainable.

CASE LAWS – INDIRECT TAX

1. *Narayan Enterprises v. Union of India*

It has been held by the High Court that ITC cannot be denied to a bonafide purchasing dealer solely on the ground that the supplier has defaulted in depositing tax. It further held that the appropriate remedy for recovery lies against the defaulting supplier and not against the bonafide recipient of goods.

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

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

<u>Compliance Requirements for Obligated Entities</u>: 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.

<u>Environmental Compensation</u>: 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.

<u>Legal Backing</u>: 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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