NEWSLETTER

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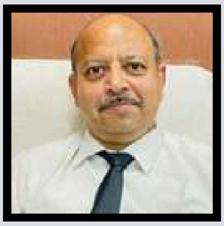
CHARTERED ACCOUNTANTS

ADVISORY BOARD



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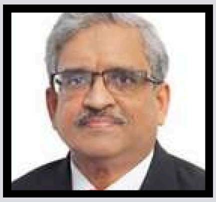

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NEWSLETTER FOR AUGUST 26
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COMPLIANCE

AUGUST 2026 DUE DATES

GST

DATE	COMPLIANCE DETAIL	APPLICABLE TO
10th	• GSTR-7 (TDS return under GST) • GSTR-8 (TCS return under GST)	• Person required to deduct TDS under GST • Person required to collect TCS under GST
11th	• GSTR-1 (Outward supply return)	• Taxable persons having annual turnover > Rs. 5 crore in FY 2025-26 • Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13th	• GSTR-6 [Return by input service distributor (ISD)]	• Person registered as ISD
	• GSTR-5 (Return by Non-resident)	• Non-resident taxable person (NRTP)
	• Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	• Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and opted for QRMP Scheme

20th	• GSTR-3B (Summary return)	• a) Taxable persons having annual turnover > Rs. 5 crore in FY 2025-26 • b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and not opted for QRMP scheme
	• GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	• OIDAR services provider
25th	• Form GST PMT-06 (payment of tax for QRMP filers)	• Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2025-26 and opted for QRMP scheme

INCOME TAX

DATE	COMPLIANCE DETAIL	APPLICABLE TO
7th	• TDS / TCS deposit	• Non-Government Deductors
15th	• Deposit of PF & ESI contribution	• All Deductors
	• Issue of TDS Certificate in Form 131 & TCS Certificate in Form 133	• All Deductors & Collectors
31st	• Income-tax Return (ITR) in Form ITR-3 / ITR-4	• For Individuals, HUF, Firms/LLP, AOP having any income from business / profession but not liable to tax audit
	• Form 10-IEA	• For Individuals, HUF, having income from business / profession and who are not liable for Tax Audit and wish to be governed by old tax regime under the Income-tax Act, 1961, or re-enter the new tax regime.

GST

NOTIFICATION AND CIRCULARS

Circular Number 256/02/2026- GST dated 25.07.2026

Clarification regarding filing of appeal by department before the Goods and Services Appellate Tribunal against order of appellate authority (where Orders-in-Original have been passed by a Common Adjudicating Authority in DGGI cases) –reg.

Impacted Section / Rules:

Notification No. 02/2022-Central Tax as amended by Notification No. 27/2024- Central Tax, Circular No. 169/01/2022-GST dated 12th March 2022 and Circular No. 239/33/2024-GST dated 4th December 2024.

Summary:

The CBIC has issued a crucial procedural clarification vide Circular No. 256/02/2026-GST dated 25.07.2026 addressing the mechanism for filing departmental appeals before the Goods and Services Tax Appellate Tribunal (GSTAT) in cases investigated by the Directorate General of GST Intelligence (DGGI) and adjudicated by a Common Adjudicating Authority (CAA). The circular eliminates uncertainty over the competent reviewing authority, the authority responsible for filing appeals, and the appropriate GSTAT Bench. It confirms that, notwithstanding centralized adjudication, the review and appellate process remains taxpayer-centric, with the jurisdictional Commissioner of the taxable person acting as the reviewing authority and the appeal being filed before the GSTAT Bench having territorial jurisdiction over the taxable person.

NEWS & UPDATES

Key Clarifications Issued by CBIC

A.Communication of Order-in-Appeal – The Appellate Authority shall upload the Order-in-Appeal on the GST common portal. It shall also send the order electronically and physically to the Principal Commissioner/Commissioner having jurisdiction over the Common Adjudicating Authority (CAA).

B.Role of Commissioner Having Jurisdiction over the CAA – The Commissioner supervising the CAA shall examine the appellate order. He may obtain comments and inputs from the DGGI, wherever required. Thereafter, he shall forward his recommendations to the jurisdictional Commissioners of all taxable persons covered by the common adjudication order.

C.Jurisdictional Commissioner to Review Appellate Orders – That the Principal Commissioner/Commissioner having jurisdiction over the individual taxable person shall be the reviewing authority under section 112(3) of the CGST Act. The Commissioner having jurisdiction over the Common Adjudicating Authority is not the statutory reviewing authority.

D.Authority to File Departmental Appeal – Where the reviewing authority decides to challenge the appellate order, he may authorize a subordinate officer to file and pursue the departmental appeal before the GST Appellate Tribunal (GSTAT).

E.Separate Departmental Appeals for Each Taxpayer – Where a common adjudication order involves multiple taxpayers, separate departmental appeals must be filed in respect of each taxable person. Each jurisdictional Commissionerate will independently decide whether the appellate order warrants challenge before the GSTAT.

F.Jurisdiction of GSTAT Bench- The departmental appeal shall be filed before the GSTAT Bench having territorial jurisdiction over the location of the taxable person/noticee. It shall not be filed before the GSTAT Bench having jurisdiction over the Commissionerate of the Common Adjudicating Authority.

G. Post-Filing Intimation – After filing the appeal, the jurisdictional Commissioner shall intimate the Commissioner having jurisdiction over the CAA and provide a copy of the appeal. If no appeal is proposed, the reviewing authority shall also communicate that decision to the Commissioner supervising the CAA.

NEWS & UPDATES

Advisory to Taxpayers and Stakeholders – Enhancements in the e-Way Bill (EWB) Portal

Summary

The GST Network (GSTN) has issued an advisory dated 1 July 2026 revising the timeline for amendment of Aggregate Annual Turnover (AATO) for FY 2025–26. The revision follows the implementation of an upgraded system functionality that will enable automatic updation of AATO as subsequent GST returns are filed after the amendment window, thereby improving consistency and accuracy of turnover data across various GST portal modules.

Under the earlier framework, as prescribed in the GSTN Advisory dated 2 May 2022, taxpayers were permitted to amend their AATO during the month of May. However, with effect from FY 2025–26, the amendment facility has been shifted to July to accommodate the enhanced system functionality.

Revised Timeline

Activity	Revised Timeline
AATO AMENDMENT APPLICATION BY TAXPAYERS FOR FY 2025–26	01 JULY 2026 TO 31 JULY 2026
VERIFICATION BY JURISDICTIONAL TAX OFFICER	01 AUGUST 2026 TO 15 AUGUST 2026

GSTN has advised taxpayers to carefully verify the turnover details before submitting amendment requests to ensure correctness of AATO, as the revised functionality aims to maintain uniformity and accuracy across all GST modules. In case of any technical issues or difficulties, taxpayers have been advised to raise a grievance through the Self-Service Portal available on the GST Portal.

The revised timeline aligns the AATO amendment process with the upgraded GST Portal functionality, which will automatically update aggregate turnover based on subsequently filed returns.

GST Network (GSTN) issues Frequently Asked Questions (FAQs) on mandatory capture of Ship-to Field and Voluntary Closure of E-Way Bill, 2026

Background

GSTN, through its advisory dated 20 May 2026, had announced the introduction of two new functionalities in the e-Way Bill system with effect from 15 June 2026:

- Mandatory capture of 'Ship To GSTIN' in Bill-To/Ship-To transactions; and
- Voluntary Closure of e-Way Bill facility

Subsequently, the implementation of above functionalities was extended to 1 August 2026 onwards (instead of 15 June). An advisory was issued by GSTN on 17 June 2026 to apprise stakeholders of the corresponding changes introduced in the e-Invoice API, e-Way Bill by IRN API and EWB Closure API. It was also informed that the changes have been made available in the Sandbox environment for testing and system preparedness. Stakeholders were advised to undertake necessary testing, system changes and preparedness within the prescribed timeline.

FAQs issued on 2 July 2026 for new functionalities in the e-Way Bill system

GSTN has now issued detailed FAQs to address queries and representations received from taxpayers, trade, GST Suvidha Providers (GSPs), and other stakeholders regarding mandatory capture of the Ship-to field in E-Way Bills and voluntary closure of E-Way Bills.

The FAQs provide clarifications on the applicable system validations, procedural requirements and the manner of compliance. Taxpayers have been advised to review these FAQs to understand the revised requirements and ensure compliance with the prescribed procedures.

The FAQs on Bill-to/Ship-to Transactions, Export Scenarios and API Impact cover answers to various queries / scenarios such as:

·Scope and Implementation of the FAQs
·Business transaction types
·Confidentiality and display of Ship-to GSTIN
·Role-wise generation scenarios
·Export and merchant exporter scenarios
·Impact in standalone e-Way Bill API
·Impact in e-Invoice API: Generation of IRN and EWB together
·Impact in e-Way Bill by IRN API, and
·Common questions raised by stakeholders
·Quick readiness checklist
·Business transaction scenarios

The FAQs on Bill-to/Ship-to Transactions, Export Scenarios and API Impact cover answers to various queries / scenarios such as:

- Scope and Implementation of the FAQs
- Portal-based Closure
- EWB API Impact
- Status and Post-Closure Behaviour
- Impact in e-Invoice API and e-Way Bill by IRN
- Business Scenarios
- Consolidated Position Matrix
- Action Required from Stakeholders

Please faqs_on_ship_to_field_approved_version.pdf to read the FAQs on Bill-to/Ship-to Transactions, Export Scenarios and API Impact.
Please faqs_on_voluntary_closure_of_e_way_bill_approved.pdf Here to read the FAQs on Voluntary Closure of e-Way Bill: Business Scenarios, API Impact and Portal Behavior.

Advisory on Keeping on Hold the Proposed e-Way Bill Enhancements

Summary

The GSTN has issued an Advisory dated 29.07.2026, that the proposed e-Way Bill enhancements, which were scheduled to come into effect from 1 August 2026, have been kept on hold until further notice. The decision effectively suspends the implementation of the changes that were earlier communicated through advisories dated 9 June 2026 and 17 June 2026, along with the detailed FAQs issued on 2 July 2026.

GSTN has clarified that taxpayers, transporters, ERP providers, GSPs, and other stakeholders are not required to implement any system changes in the production environment based on the earlier advisories. Further, all related advisories and FAQs pertaining to the proposed enhancements will be withdrawn from the GST Portal.

Direct tax

Central Board of Direct Taxes (CBDT) notifies new Income-tax Return (ITR) Form ITR-BN for Block Assessment under Income-tax Act, 2025

CBDT through Notification no. 97 dated24 July 2026, has introduced Appendix IV – ITR-BN, a new ITR for block assessment under the Income-tax Act, 2025. Effective from1 April 2026 onwards, the new return form will apply to cases involving searches-initiated u/s 247or requisitions made u/s 248of the Income-tax Act, on or after that date. The notification inserts the ITR-BN form into the Income-tax Rules, 2026, prescribing a comprehensive reporting framework for undisclosed income detected during search and seizure proceedings. The form requires taxpayers to furnish details relating to the block period, undisclosed income, tax computation, taxes paid, withholding tax credits and verification, thereby standardizing the filing process for block assessment cases under Chapter XVI-B of the Income-tax Act, 2025.

CBDT releases guidance note on crypto-asset reporting obligations u/s 509 of the Income-tax Act, 2025

The CBDT has issued a detailed guidance note to help Reporting Crypto Asset Service Providers (RCASPs) comply with reporting obligations u/s 509 of the Income-tax Act, 2025 and Rules 241 to 244 and Form 167 of the Income-tax Rules, 2026. The move is a significant step towards greater tax transparency in the digital asset ecosystem.

The Guidance Note is intended to explain the reporting obligations of RCASPs contained in the relevant Rules notified by the Government of India in a simple manner. Given that the Crypto-Asset Reporting Framework (CARF) is developed jointly by participating jurisdictions, including India, working with the Organization for Economic Co-operation and Development (OECD), the Commentary on CARF and other relevant materials have also been cited, so as to facilitate their reference by the RCASPs, where so required.

Long term Capital Gains – CBDT notifies '384' as Cost Inflation Index (CII) for FY 2026-27

CBDT vide Notification no. 85 dated 15 July 2026 has notified 384 as CII for FY 2026-27. If a long-term capital asset is transferred, the capital gains is computed after deducting the indexed cost of acquisition (instead of just cost of acquisition) to give the benefit of inflation to a taxpayer. Such indexation of cost of acquisition is done on the basis of CII. The base year for which CII is 100 is FY 2001-02.

Exemption to certain categories of payments received by units located in International Financial Services Centres (IFSCs) from requirement to withhold tax at source as per the Income-tax Act, 2025

Background

Section 147 of the Income-tax Act 2025 grants tax deduction to units located in IFSCs and engaged in certain specified businesses (such as aircraft and ship leasing) for 20 consecutive tax years. In the absence of a specific exemption from requirement to withhold tax on payments to such units which are entitled to the tax deduction u/s 147, the units are unnecessarily put in a disadvantageous position from perspective of cash flow.

Notification issued by CBDT on 10 July 2026

CBDT has issued a notification exempting payers from the obligation to withhold tax on various categories of payments to units located in IFSCs, such as interest on external commercial borrowings / loans, professional fee, brokerage, etc. The relief extends to14 categories of units located in IFSCs, such as banks, finance companies, investment advisors, custodians, investment bankers, fintech entities, etc. The Notification is applicable from 1 April 2026 onwards.

As far as the mechanism of claiming the exemption is concerned, the IFSC unit (payee) is required to furnish a declaration in Form 1(N) to the payer, specifying the period for which the unit intends to claim the tax deduction u/s 147 of the Income-tax Act.

Implications of the orders issued by CBDT

As a result of the action taken by CBDT, taxpayers can now view their foreign bank accounts, custodial and investment accounts, interest, dividends and other specified financial income reported to India by foreign tax authorities under the CRS and FATCA frameworks.

The AIS currently shows AEOI data for calendar years2022, 2023 and 2024. Calendar-year 2025 data is expected to be loaded after India receives it around September / October 2026.

Every Resident and Ordinarily Resident (ROR)holding a foreign bank account, foreign shares or ESOPs in an overseas parent, a foreign brokerage account, or crypto on an offshore exchange must reconcile this data with Schedule FA before filing its Income-tax return for Assessment Year 2026-27.

The obligation to disclose foreign assets in the Income-tax return applies to a person who is ROR in India for the relevant year. The disclosure is not mandatory for Non-Residents or Resident but Not Ordinarily Residents.

A penalty of Rs.10 lakh per year under the Black Money Act, 2015 is applicable for non-disclosure or inaccurate disclosure of foreign assets. Additional tax and heavier penalties are applicable on undisclosed foreign income.

In simple terms, the Indian tax authorities is not asking the taxpayers to disclosure any new data; it is simply showing to the taxpayers, the data it has already received about their offshore accounts, so that the taxpayers can report them correctly in their tax returns. As part of the rollout, the CBDT is also sending SMS and email nudges to taxpayers, reminding them to disclose foreign assets and foreign income while submitting their Income-tax returns for Assessment Year 2026-27.

Step by step guide for taxpayers for reconciliation of AIS with Schedule FA of the Income-tax return

Section 147 of the Income-tax Act 2025 grants tax deduction to units located in IFSCs and engaged in certain specified businesses (such as aircraft and ship leasing) for 20 consecutive tax years. In the absence of a specific exemption from requirement to withhold tax on payments to such units which are entitled to the tax deduction u/s 147, the units are unnecessarily put in a disadvantageous position from perspective of cash flow.

Step 3 - Match line by line. Compare each AIS entry against foreign bank / broker statements. Note peak balance, closing balance, and gross interest or dividend for each account

Step 4 - Fill Schedule FA for each foreign asset, using the correct reporting period and Schedule FSI / Schedule TR where the foreign income is taxable and foreign tax has been pai

Step 5 - Reconcile mismatches early. If the AIS shows an account that is wrongly attributed, submit feedback in the AIS

Step 6 – Explore the option of filing a revised Income-tax return before the due date, if the taxpayer has already submitted the original return for AY 2026-27 without full disclosure in Schedule FA. Proactive correction is materially cheaper than a Black Money Act proceeding.

Tax deduction u/s 80G of Income-tax Act, 1961 in respect of donations made to charitable funds / institutions – Condonation of delay in submission of application for renewal in Form 10AB

Background

Section 80G of the Income-tax Act, 1961 provides for tax deduction in respect of donations made to charitable funds and institutions. For availing approval under clause (ii) of the 1st proviso to section 80G(5) of the Act, a fund or institution approved u/s 80G(5) and whose approval is due to expire, is required to furnish an application in Form 10AB electronically, at least 6 months prior to expiry of the said period.

Reportedly, representations have been received by CBDT from certain funds / institutions whose approval was expiring on 31 March 2026 and who could not furnish Form 10AB for seeking approval within the due date of 30 September 2025. It has been represented that the delay in furnishing the application was attributable to bona fide reasons and other circumstances resulting in genuine hardship to the funds / institutions in terms of receipt of donations.

Circular issued by CBDT on 2 July 2026

In order to mitigate genuine hardship to such funds / institutions, CBDT has condoned the delay in filling Form 10AB, where the said application has been furnished electronically between 1 October 2025 to 31 March 2026. The jurisdictional Principal Commissioner of Income-tax or Commissioner of Income-tax have been authorized to dispose off such applications on merits and pass an order on or before 31 December 2026.

Where an application in Form 10AB filed electronically between 1 October 2025 to 31 March 2026 has been rejected solely on the ground that it was furnished beyond the prescribed time limit of 30 September 2025, the delay shall be deemed to have been condoned in such cases. The Principal Commissioner of Income-tax or Commissioner of Income-tax have been authorized to dispose of such applications on merits and pass an order latest by 31 December 2026.

MINISTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA

Companies Compliance Facilitation Scheme, 2026 (CCFS) - Ministry of Corporate Affairs (MCA) extends due date from 15 July 2026 to 31 August 2026 for pending filings

Background

In February 2026, MCA had issued the CCFSas a time-bound relief measure for companies having pending filings relating to annual return and financial statements. The objective of the scheme is to provide defaulting companies an opportunity to complete overdue compliances with Registrar of Companies in a simplified and cost-effective manner.

Companies / inactive companies have the option to:

- Complete their pending annual filings by paying only 10% of the total additional fees payable on account of delays; or
- Get themselves declared as 'dormant company' u/s 455 of the Companies Act by filing e-form MSC-1 and paying half of the normal fee payable under the rules. The said provision enables inactive companies to remain on the register of the companies with minimal compliance requirements; or
- Get themselves struck off by filing an application in e-form STK-2 during the validity of the scheme, by paying 25% of the filing fees

By allowing filings with concessional additional fee and offering relief from penal consequences for specified defaults, the scheme aims to encourage voluntary compliance and reduce long-pending non compliance cases. The Scheme came into force on 15 April 2026 and was valid till 15 July 2026.

In April 2026, MCA issued FAQs on the scheme, such as the entities which are eligible to avail the scheme, the filings covered under the scheme, whether the scheme provides immunity from penalty, etc.

Circular no. 3 issued by MCA on 8 July 2026

Due to capacity enhancement / restoration activities being done at data center consequent to a fire incident in June 2026, MCA has extended the validity of the CCFS up to 31 August 2026 (from 15 July 2026).

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