SNR & COMPANY
CHARTERED ACCOUNTANTS

INCOME TAX BULLETIN

AUGUST 2026

Delhi, Pune, Bangalore

CONTENT

- Judicial Updates

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1. Sec. 54 exemption covers multiple houses constructed up to number of houses sold, not restricted to one residential house:

Case of: Pavan Kumar Agarwal Vs DCIT
Decision by: ITAT, Bangalore
Order Date: June 29, 2026
In favour of: Assessee
Appeal No.: ITA No. 1916/Bang/2025

Facts:

- The Assessee sold 17 flats during the relevant previous year, resulting in long-term capital gains. Out of the sale proceeds, the Assessee invested in the purchase/construction of 5 residential houses and claimed exemption under Section 54 of the Income-tax Act, 1961 in respect of the entire capital gains so invested.
- The Assessing Officer (AO) restricted the Section 54 exemption to investment in only one residential house, taking the view that the exemption under the provision is confined to a single residential house irrespective of the number of residential properties transferred or the number of new residential houses acquired.
- Aggrieved, the Assessee carried the matter in appeal before the ITAT, Bangalore.

Issues Involved:

- Whether the exemption under Section 54 is restricted to investment in only one residential house, regardless of the number of residential houses (long-term capital assets) transferred by the Assessee.
- Whether Section 54 permits clubbing of capital gains arising from the transfer of multiple residential houses for the purpose of computing the monetary ceiling under the first and second provisos to Section 54(1).
- Whether the number of residential houses in which exemption can be claimed under Section 54 can exceed the number of residential houses transferred.

Tribunal Observations:

- The Tribunal held that Section 54 grants exemption in respect of capital gains arising from the transfer of a long-term capital asset, being a residential house, and must be read consistently with Sections 45 and 48, which apply independently to profits and gains arising from each and every capital asset. Accordingly, Section 54 should be construed as an exemption available separately in respect of capital gains arising from the transfer of each and every long-term residential house, and not as a composite relief restricted to a single transfer or a single new asset.
- Relying on the coordinate bench ruling in Jt. CIT v. Montgomery Emerging Markets Fund, the Tribunal reiterated that Section 54 contains no mechanism for clubbing capital gains arising from transfer of one or more capital assets before allowing exemption.
- Placing reliance on coordinate bench decisions in Rajesh Keshav Pillai, Humayun S. Rangila, and DCIT v. Ranjit Vithaldas, the Tribunal reaffirmed that exemption under Section 54 is available qua each long-term residential house transferred, and not on a consolidated or restricted basis.
- The Tribunal noted the legislative history of the provision, observing that the expression "one residential house in India" was substituted for the earlier expression "a residential house" in Section 54(1) by the Finance (No. 2) Act, 2014, with effect from April 1, 2015.
- The Tribunal distinguished the structure of Section 54 from the second provisos to Sections 54EC and 54EE, noting that unlike those provisions, Section 54 does not stipulate that the exemption shall be limited to one residential house where long-term capital gains arise from the transfer of more than one residential house.
- Analysing the provisos to Section 54(1), the Tribunal held that the phrase "where the amount of capital gain does not exceed two crore rupees" refers to the capital gain arising from transfer of a single residential house, and does not contemplate aggregation of gains from multiple house transfers. The Tribunal specifically observed that "neither the first proviso nor the second proviso provides for clubbing of all long term capital gains from transfer of more than one residential houses in order to compute the limit of Rs. 2 crores."
- The Tribunal accordingly held that exemption under Section 54 is available in respect of long-term capital gains arising from each residential house transferred, provided the Assessee purchases or constructs one residential house in India against each such transfer.
- However, the Tribunal clarified a corresponding limitation: the number of residential houses in respect of which exemption is claimed under Section 54 cannot exceed the number of residential houses transferred giving rise to the long-term capital gains.
- In this context, the Tribunal referred to the Bombay High Court's decision in Krishnagopal B. Nangpal, noting that long-term capital gains arising from the transfer of a single residential house cannot be claimed as exempt under Section 54 by investing in two residential houses.

Tribunal Decision:

- Applying the above principles to the facts, the Tribunal held that since the Assessee had transferred 17 residential flats and invested the resultant capital gains in the purchase/construction of only 5 residential houses (a number well within the number of properties sold), the Assessee was entitled to the rollover benefit under Section 54 in respect of investment in all 5 houses. The AO's restriction of the exemption to only one residential house was held to be contrary to law, and the appeal was allowed in favour of the Assessee.

Full Judgement: Pavan Kumar Agarwal

SNR's Key Takeaways

Section 54 exemption operates in relation to each long-term residential house transferred, consistent with the asset-wise application of Sections 45 and 48 - it is not a single, consolidated relief for the taxpayer's aggregate capital gains.

2. Assignment/sale of rent receivable not borrowings u/s 2(28A) & 36(1)(iii), as no liability to repay:

Case Name: OPC Asset Solutions Pvt. Ltd Vs JCIT (OSD)
Decision by: ITAT, Chennai
Order Date: 06th July, 2026
In favour of: Assessee
Appeal No.: ITA Nos. 2230/Chny/2026

Facts:

- The Assessee operates a business model involving the assignment/sale of future rent receivables to financiers. Under this arrangement, the Assessee assigns or sells its right to receive future rent to a financier, who in turn pays the Assessee a discounted present value of those receivables as consideration for the assignment/sale.

- The AO treated the differential between the face value of the rent receivables and the discounted amount actually received (i.e., the "discounting charges") as being in the nature of interest within the meaning of Section 2(28A). On this basis, the AO held that the Assessee was liable to deduct tax at source under Section 194A on such discounting charges. Since no tax had been deducted, the AO passed an order under Section 201(1), treating the Assessee as an "assessee in default."

- Aggrieved, the Assessee appealed to the ITAT, Chennai, contending that the transaction was a sale/assignment of receivables and not a borrowing, and that the discounting charges did not constitute "interest" so as to attract TDS obligations under Section 194A.

Issues Involved:

- Whether the consideration received by the Assessee from the financier, being a discounted value against assignment/sale of future rent receivables, amounts to "borrowing" of money within the meaning of Section 2(28A) and Section 36(1)(iii).
- Whether the differential between the face value of the receivables and the discounted consideration received (the "discounting charges") constitutes "interest" as defined under Section 2(28A), attracting TDS liability under Section 194A.
- Whether the order passed under Section 201(1) treating the Assessee as an "assessee in default" for non-deduction of tax at source was sustainable in law.

Tribunal Observations:

- The Tribunal held that Section 194A casts a TDS obligation only on payments that qualify as "interest," and that a sum can be regarded as interest under Section 2(28A) only where there exists a relationship of borrower and lender between the parties.
- Since the terms "borrowed" and "debt incurred" are not defined under the Income-tax Act, the Tribunal held that they must be understood in their ordinary and popular sense, and, drawing on judicial precedents on the point, observed that a payment qualifies as "interest" only where it is payable in respect of monies borrowed or a debt incurred.
- The Tribunal reasoned that where a transaction does not result in the borrowing of money or the incurring of a debt carrying a corresponding liability to repay, no amount paid in connection with such a transaction can be characterised as "interest," and the transaction would consequently fall outside the scope of Sections 2(28A), 36(1)(iii), and 194A.
- Examining the Assessee's business model, the Tribunal found that the amount received from the financier represents a negotiated price for the assignment/sale of rent receivables, and not a sum advanced with an obligation on the Assessee to repay it. In the absence of any such liability to repay, the receipt could not be treated as a borrowing.
- The Tribunal noted that this business model is a distinct commercial arrangement that has evolved in commercial practice and had already been considered by a coordinate bench in DCIT v. Connect Residuary Pvt. Ltd., whose reasoning it found applicable.
- The Tribunal held that the AO had erroneously imported the concept of "discounting charges" (ordinarily associated with borrowing/lending transactions) into a transaction that was, in substance, a sale/assignment of receivables, and that this mischaracterisation vitiated the AO's conclusion.
- The Tribunal further noted that the Assessee does not pay any interest to the financier at all - the financier's return arises purely from the difference between the face value and the discounted purchase price of the receivables, which is a pricing feature of the assignment and not a payment of interest.
- Accepting the Assessee's contention, the Tribunal held that transactions involving the sale/assignment of rent receivables cannot be equated with the borrowing or lending of money; consequently, in the absence of any borrowing, the question of "payment of interest" — and therefore of TDS under Section 194A - did not arise.

Tribunal Decision:

- The Tribunal held that the Assessee had not borrowed any money from the financiers within the meaning of Sections 2(28A) and 36(1)(iii), and that the amount received was consideration for the sale/assignment of rent receivables, carrying no liability of repayment. As the discounting charges did not constitute "interest," the Assessee was under no obligation to deduct tax at source under Section 194A. Accordingly, the order passed under Section 201(1) treating the Assessee as an "assessee in default" was held to be unsustainable in law, and the appeal was allowed in favour of the Assessee.

Full Judgement: OPC Asset Solutions Pvt. Ltd

SNR's Key Takeaways

A genuine assignment/sale of future receivables (such as rent) at a discounted value does not constitute "borrowing" or "debt incurred" under Sections 2(28A)/36(1)(iii), since there is no obligation on the assignor to repay the consideration received. No payment can be characterised as "interest" under Section 2(28A) unless it arises from monies borrowed or debt incurred with a corresponding repayment obligation — the mere existence of a discount or pricing differential is not sufficient.

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3. Corporate support services aren't FTS & doesn't trigger PE. Therefore, disallowance u/s 40(a)(i) for non-deduction of TDS on foreign remittance not sustainable:

Case of: Anixter India Private Limited Vs ITO
Decision by: ITAT, Chennai
Order Date: 09 July 2026
In favour of: Assessee
Appeal No.: ITA No. 3681/Chny/2025

Facts:

- The Assessee, Anixter India Private Limited, made a remittance of Rs. 3.86 crore to its overseas group entity, Anixter Singapore, towards corporate charges, without deducting tax at source under Section 195.

- The AO took the view that the payment was in the nature of Fees for Technical Services (FTS) taxable under Section 9(1)(vii), and consequently disallowed the entire remittance of Rs. 3.86 crore under Section 40(a)(i) for failure to deduct tax at source. On appeal, the CIT(A) upheld the AO's action and further held that Anixter Singapore had a Permanent Establishment (PE) in India.

- Aggrieved, the Assessee carried the matter in further appeal to the ITAT, Chennai, relying heavily on the Tribunal's own decision in the Assessee's case for AY 2017-18, where an identical addition on account of non-deduction of tax on corporate charges paid to the same overseas entity had been deleted.

Issues Involved:

- Whether the corporate charges paid by the Assessee to Anixter Singapore constitute Fees for Technical Services taxable in India under Section 9(1)(vii) and/or Article 12 of the India-Singapore DTAA.
- Whether the liability to deduct tax at source under Section 195 was attracted in respect of the said remittance.
- Whether Anixter Singapore had a Permanent Establishment in India, as held by the CIT(A).
- Whether the disallowance under Section 40(a)(i) for non-deduction of tax at source was sustainable.

Tribunal Observations:

- The Tribunal reiterated that Section 195 casts an obligation to deduct tax at source only where the sum paid to a non-resident is chargeable to tax in India; where the payment is not so chargeable, the question of TDS does not arise at all.
- Placing heavy reliance on the coordinate bench's decision in the Assessee's own case for AY 2017-18 — where an identical addition for non-deduction of tax on corporate charges paid to Anixter Singapore had been deleted on the ground that such payments were not taxable under the DTAA — the Tribunal held that the facts of the present year were materially identical and warranted the same treatment.
- Examining Article 12 of the India-Singapore DTAA, the Tribunal noted that services are taxable as FTS only where they "make available" technical knowledge, experience, skill, know-how, or processes to the recipient, enabling the recipient to apply such technical knowledge independently in the future.
- On facts, the Tribunal found that there was neither a transfer of technical knowledge to the Assessee nor any resulting ability in the hands of the Assessee to apply any technical expertise independently. Accordingly, the "make available" test under Article 12 was not satisfied, and the payments did not qualify as FTS under the DTAA.
- Since the payments were not chargeable to tax in India under the DTAA (which the Assessee was entitled to invoke as being more beneficial), the Tribunal held that the obligation to deduct tax under Section 195 was not attracted.
- On the question of PE, the Tribunal found the CIT(A)'s conclusion that Anixter Singapore had a PE in India to be baseless and perverse, noting the complete absence of a fixed place of business, absence of permanence, failure of the "disposal test," and absence of any dependent agent of Anixter Singapore in India.
- The Tribunal observed that "mere receipt of corporate charges or rendering of support services cannot create a Permanent Establishment under the India-Singapore DTAA," and accordingly rejected the CIT(A)'s PE finding in its entirety.
- Holding that the lower authorities had misapplied the law, the Tribunal stated that "the AO/CIT(A) erred in invoking the provisions of section 40(a)(i) of the Act."

Tribunal Decision:

- The Tribunal held that the corporate charges paid by the Assessee to Anixter Singapore were not taxable in India under the India-Singapore DTAA, that Anixter Singapore did not have a PE in India, and that consequently no obligation to deduct tax at source under Section 195 arose on the remittance. The disallowance of Rs. 3.86 crore made under Section 40(a)(i) was accordingly deleted, and the appeal was allowed in favour of the Assessee.

Full Judgement: Anixter India Private Limited

SNR's Key Takeaways

- *Support/corporate services do not qualify as FTS under a DTAA (here, Article 12 of the India-Singapore DTAA) unless they make available technical knowledge, skill, or know-how that the recipient can apply independently in future - mere rendering of services, however specialised, is insufficient. Where a cross-border payment is not chargeable to tax in India (including by virtue of a beneficial DTAA position), Section 195 does not require withholding, and no disallowance under Section 40(a)(i) can be sustained for such non-deduction.*

4. Revenue cannot deny rebate u/s 87A on Sec. 111A STCG absent express statutory prohibition:

Case Name: Lisha Gajendra Marlecha Vs Income Tax Department
Decision by: ITAT, Mumbai
Order Date: 18th June 2026
In favour of: Assessee
Appeal No.: ITA No. 812/MUM/2026

Facts:

- The Assessee, an individual, filed her return of income for AY 2024-25 under the new tax regime governed by Section 115BAC(1A). Her total income, which did not exceed the threshold prescribed under Section 87A, included short-term capital gains (STCG) chargeable to tax under Section 111A.
- The Assessee claimed rebate under Section 87A on the tax payable, including the tax computed on the STCG taxable under Section 111A. The Revenue denied the rebate to the extent it related to tax on such STCG, taking the view that income taxable at special rates under Chapter XII of the Act (which includes Section 111A) falls outside the scope of the Section 87A rebate. The CIT(A) upheld the AO's denial.
- Aggrieved, the Assessee appealed to the ITAT, Mumbai.

Issues Involved:

- Whether rebate under Section 87A, as applicable for AY 2024-25, is available in respect of tax payable on short-term capital gains chargeable under Section 111A.
- Whether income taxable at special rates under Chapter XII of the Act is automatically excluded from the scope of the Section 87A rebate.
- Whether the amendment made by the Finance Act, 2025, restricting the Section 87A rebate to tax computed under Section 115BAC(1A), applies retrospectively so as to affect the claim for AY 2024-25.

Tribunal Observations:

- On the admitted facts, the Tribunal noted that the Assessee's total income, computed under the new tax regime of Section 115BAC(1A), did not exceed the threshold prescribed under Section 87A, and that such income included STCG chargeable under Section 111A.
- The Tribunal examined the language of Section 87A as it stood for the relevant AY 2024-25 and found that it contained no express exclusion in respect of tax payable on STCG under Section 111A.
- The Tribunal firmly rejected the CIT(A)'s proposition that income chargeable at special rates under Chapter XII automatically falls outside the ambit of the Section 87A rebate, holding that there is no statutory foundation for such a view, since neither Section 87A nor Section 111A states that the rebate is confined to tax computed at slab rates or that tax payable under Section 111A stands excluded from it.
- The Tribunal relied on the coordinate bench ruling in Jayshreeben Jayantibhai Palsana, which had categorically held that, for AY 2024-25, there existed no legislative embargo against granting rebate under Section 87A in respect of tax payable on STCG under Section 111A.
- Addressing the Revenue's reliance on the amendment introduced by the Finance Act, 2025 — which restricts the Section 87A rebate to tax computed under Section 115BAC(1A) — the Tribunal held that this amendment operates prospectively with effect from April 1, 2026, and is therefore inapplicable to AY 2024-25.
- The Tribunal emphasised the settled principle that where the statutory language applicable to the relevant assessment year is plain and unambiguous, a subsequent legislative amendment cannot be read back to curtail a benefit that existed under the law as it then stood, unless the statute expressly provides for such retrospective effect.
- Drawing a contrast within the statutory scheme itself, the Tribunal noted that the Legislature, while dealing with long-term capital gains taxable under Section 112A, had expressly restricted the availability of the Section 87A rebate through the specific provisions of Section 112A(6) — demonstrating that the Legislature knows how to impose such a restriction when it intends to.
- Applying the settled principle of statutory interpretation that a restriction consciously incorporated in one provision but consciously omitted in another analogous provision cannot be read into the latter by the Revenue, the Tribunal held that the absence of a corresponding restriction in Section 111A (unlike Section 112A(6)) could not be supplied by inference.
- The Tribunal accordingly concluded: "In the absence of any express statutory prohibition operative during the relevant assessment year, denial of rebate under Section 87A merely because a portion of the income is taxable under Section 111A cannot be sustained."

Tribunal Decision:

- The Tribunal held that the Assessee was entitled to rebate under Section 87A with respect to tax payable on STCG chargeable under Section 111A for AY 2024-25, there being no express statutory prohibition excluding such gains from the scope of the rebate during the relevant year. The Tribunal directed the Revenue to grant the rebate as claimed, and the Assessee's appeal was allowed.

Full Judgement: **Lisha Gajendra Marlecha**

SNR's Key Takeaways

In the absence of express statutory language, tax on STCG under Section 111A cannot be carved out of the Section 87A rebate merely because it is taxed at a special rate under Chapter XII. Where the Legislature has expressly restricted a rebate in one provision (e.g., Section 112A(6) for LTCG under Section 112A) but not in an analogous provision (Section 111A), the omission cannot be supplied by the Revenue through interpretation.
Reassessment proceedings on issues wholly unrelated to matters settled under the DTVsV Scheme remain permissible, subject to compliance with applicable reassessment provisions.

5. Premeditated derivative losses crafted to offset taxable income bound to be rejected. Addition on fictitious option trades to be upheld:

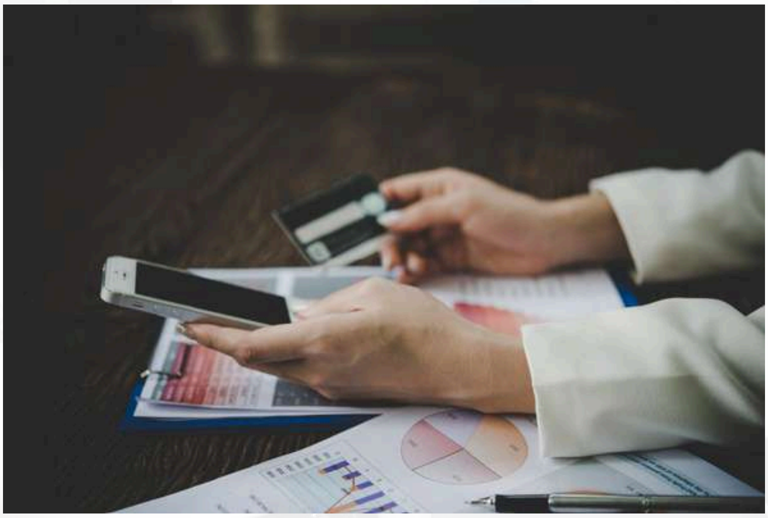
Case of: Superior Projects LLP Vs Income Tax Officer
Decision by: ITAT, Delhi
Order Date: 14th July, 2026
In Favour of: Revenue
Appeal No.: ITA No.: 2725/Del/2026

Facts:

- The Assessee's assessment was reopened under Sections 147/148 on the premise that it had entered into manipulative and fabricated derivative (options) transactions as part of an organised syndicate operated in connivance with a network of brokers, designed to generate fictitious profits or losses in derivative trading.
- The Revenue's case emerged from investigations conducted under "Project Falcon," which uncovered a racket in which options were purchased shortly before expiry and deliberately not exercised or reversed, but allowed to lapse, thereby crystallising an artificial loss in the hands of the "beneficiary" of the arrangement. The brokers involved in the scheme admitted to having facilitated such premeditated transactions to enable beneficiaries to book fictitious derivative losses for set-off against other taxable income.
- The Assessee was identified as one of the beneficiaries of this syndicate and was accordingly treated as having generated a fictitious derivative loss, which the AO disallowed, bringing the corresponding amount of Rs. 33.59 lakh to tax as business income. Before the appellate authorities, the Assessee sought to justify the genuineness of the transactions principally on the strength of contract notes and evidence of payments routed through banking channels.

Issues Involved:

- Whether the reopening of assessment under Sections 147/148 was valid.
- Whether the derivative (options) losses claimed by the Assessee were genuine business losses or fictitious losses engineered through a syndicated, manipulated trading arrangement.
- Whether production of contract notes and evidence of banking-channel payments was sufficient to discharge the Assessee's onus of proving the genuineness of the transactions once the Revenue had produced material demonstrating a organised manipulation scheme.
- Whether the addition of Rs. 33.59 lakh as the Assessee's business income was justified.



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ITAT Observations:

- The Tribunal noted that the Revenue had unearthed, through investigations conducted under "Project Falcon," an organised racket run by a syndicate of brokers engaged in creating fictitious profits or losses in derivative trading for the benefit of various beneficiaries, including the Assessee.
- The Tribunal characterised the underlying transactions as premeditated, observing that "these are pre-meditated transactions wherein positions in derivative trading in option is taken just before expiry and the position is not reversed but allowed to lapse, and the loss is created in the hands of the beneficiary."
- The Tribunal further observed that "these are syndicated organized manipulated trade in connivance of the brokers and beneficiaries," and held that the Assessee was one of the beneficiaries of this arrangement.
- Noting that the brokers involved had themselves admitted to indulging in the manipulation and premeditated creation of derivative losses for set-off against other taxable income, the Tribunal held that "there is a meeting of mind with common intention in order to defraud Revenue."
- The Tribunal held that once the Revenue had placed on record cogent material demonstrating the existence of an organised scheme, the onus shifted to the Assessee to establish that the losses claimed by it were genuine and not part of the manipulated arrangement.
- The Tribunal found that the Assessee had failed to discharge this onus, having merely relied on the existence of contract notes and proof of payment through banking channels, without placing on record any independent evidence, court orders, or outcomes of investigation to rebut the specific findings of the Revenue's investigation.
- Rejecting the sufficiency of the Assessee's documentary defence, the Tribunal remarked that "apparent is not real" — meaning that the mere existence of formal documentation (contract notes, banking trail) does not, by itself, establish the genuineness of a transaction where surrounding facts and investigative material point to it being a sham.
- The Tribunal placed reliance on the Supreme Court's decisions in C. Vasantlal and Co., Sumati Dayal, CIT v. P. Mohanakala, McDowell & Co. Ltd., and other judicial precedents dealing with the principle that the true nature of a transaction must be examined by looking beyond its outward form, particularly where circumstantial evidence points to collusion or manipulation.

ITAT Decision:

- The Tribunal upheld the addition of Rs. 33.59 lakh as the Assessee's business income, holding that the Assessee had engaged in premeditated derivative transactions, as part of an organised syndicate in connivance with brokers, to create fictitious losses for set-off against other taxable income. Finding that the Assessee had failed to discharge the onus of proving the genuineness of the transactions, the Tribunal dismissed the Assessee's appeal as devoid of merit.

Full Judgement: Superior Projects LLP

SNR's Key Takeaways

The existence of contract notes and banking-channel payments does not, by itself, establish that a transaction is genuine — "apparent is not real" where surrounding facts point to manipulation. Where the Revenue produces credible investigative material (such as findings from "Project Falcon") showing an organised, syndicated scheme, the onus shifts to the taxpayer to affirmatively prove the genuineness of its specific transactions.

Circulars/ Notification

1. CBDT condoned delay in filing Form No. 10AB for approval u/s 80G(5)

- CBDT condoned the delay in filling Form No. 10AB, where the prescribed application in Form No.10AB has been furnished electronically between 01.10.2025 to 31.03.2026; The jurisdictional PCIT / CIT are authorized to dispose of such applications on merits and pass an order on or before 31.12.2026; CBDT clarifies that where an application in Form No. 10AB filed electronically between 01.10.2025 to 31.03.2026 has been rejected as on date of issue of this circular solely on the ground that it was furnished beyond the prescribed time limit of 30.09.2025, the delay shall be deemed to have been condoned in such cases.

Read Notification: 06/2026

2. CBDT notified TDS exemption on lease rent payments to ship leasing units in IFSC:

- CBDT notified that no TDS shall be deducted under Section 393(1) of the Income Tax Act, 2025 on payments in the nature of lease rent or supplemental lease rent, made by a lessee to a person being a Unit of an International Financial Services Centre (IFSC) (lessor) for lease of a ship; The exemption is subject to certain conditions; CBDT specifies that relaxation shall be available to the lessor only during the said twenty consecutive tax years as declared by the lessor in the prescribed form; CBDT clarifies that Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), shall lay down procedures, formats and standards for ensuring secure capture and transmission of data and uploading of documents and they shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies.

Read Notification: 75/2026

3. CBDT issues Clarificatory FAQs on transition provision under Income-tax Act, 2025:

- CBDT vide Office Memorandum dated July 6, 2026, issues clarification related to transitional provisions under Section 536 of Income Tax Act, 2025 (Repeals and Savings), by way of frequently asked questions; FAQs covers the following specific issues: (i) Summons & Notices, (ii) Search, Requisition and Post-Search Proceedings, (iii) Power to Call for Information, (iv) Jurisdiction, PAN Migration and Search Cases, (v) Provisional Attachment, Attachment and Recovery, (vi) Director's Liability, Penalties, Tax Clearance, Prosecution and Retention, (vii) Applications seeking benefits under Income-tax Act, 1961, (viii) Pending Applications under Section 12AB/80G of the Income-tax Act, 1961, and (ix) Pending Lower Deduction Certificates/ No Deduction Certificate Applications.

4. CBDT notifies Cost of Inflation Index for FY 2026-27:

- CBDT issues notification dated 15 July 2026, specifying the Cost of Inflation Index for FY 2026-27 as 384; This notification applies to the tax year 2026-27 on and from the 1 April 2026 and subsequent tax years.

Read Notification: 85/2026

5. CBDT notified Income tax return for block assessment under ITA, 2025:

- CBDT amended Income tax Rules, 2026 to insert 15 pages Income tax Return for block assessment (for Search and Seizure cases - Chapter XVI - B); Amended rule to apply on any search initiated under Section 247 or requisition made under Section 248 of Income-tax Act, 2025 on or after April 1, 2026.

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OUR LOCATION

DELHI

A-15, Second Floor, Hauz Khas,
New Delhi- 110016

Tel: +91-11 41655801, 41655802

PUNE

B 609, Nyati Empress,
Viman Nagar, Pune,
Maharashtra – 411014 (India)

Tel No. +91-20-45104304

BANGALORE

No. 5A, Second Floor, 6th Main,
KHB Colony, Basaveshwaranagar,
Bangalore - 560079

Tel: +91 80 42064178

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