AUGUST 2026

LUNAWAT BULLETIN

WHAT'S INSIDE?

LUNAWAT & CO

MARKET WATCH

Sensex : 31/07/2026: 78094.00
30/06/2026: 76478.67

Nifty : 31/07/2026; 24383.60
30/06/2026: 23865.75

AROUND THE GLOBE

ITC FRAUD WORTH RS 74,782 CRORE DETECTED IN FY26; MAHARASHTRA, GUJARAT LEAD

Central GST officers detected over 30,000 input tax credit fraud cases in 2025-26. These cases involved approximately Rs 74,782 crore and led to 358 arrests. Maharashtra and Gujarat reported the highest number of fraud cases and associated financial values. Fake GST registrations using forged documents also contributed to substantial ITC fraud. The number of detected fraud cases has sharply increased over the past three years.

GOVT IMPOSES STOCK LIMIT ON SUGAR FROM AUG 1 TO NOV 30 TO PREVENT HOARDING DURING FESTIVAL SEASON

The government has imposed nationwide stock limits on private sugar traders. These restrictions will be in force from August 1 to November 30. Dealers cannot hold more than 4,000 quintals of sugar at any single location. A quota of 2.25 million tonnes of sugar has been announced for August. Physical verification of stocks with sugar mills will occur during August 1-14.

GOVT APPROVES RBI'S TRIALS OF ₹10, ₹20 POLYMER NOTES; NO PLAN TO REPLACE PAPER CURRENCY

The government has approved the Reserve Bank of India's proposal for polymer banknotes. One billion pieces each of ten and twenty rupee polymer notes will undergo field trials. These new notes are expected to be more durable and have a longer lifespan. The introduction of polymer notes is still in a preliminary phase.

INDIA BEGINS TO CHINA-PROOF ITS INFRA PUSH AFTER THE TBM SHOCK

India is accelerating efforts to localise mining and construction equipment manufacturing after Chinese export delays disrupted supplies of tunnel boring machines (TBMs) for key infrastructure projects. A proposed incentive scheme aims to reduce import dependence, strengthen supply chains, boost domestic manufacturing, expand exports and support India's ambitious infrastructure, mining and critical minerals development over the coming decades.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
07.08.2026 (Friday)	**TDS/TCS/ Income Tax**	• Deposit tax collected (TCS) for the month of July, 2026 • Deposit tax deducted by office of government for the month of July 2026. • Submission of declaration in Form-127 for no TCS as obtained from manufacturer to the CIT/CCIT.
07.08.2026 (Friday)	**FEMA**	• Report actual ECB transactions through Form ECB-2 return.
10.08.2026 (Monday)	**GST**	• GSTR-7 by TDS Deductor for the period of July 2026. • GSTR-8 by TCS Collector (E Commerce Operator) for the period of July 2026.
11.08.2026 (Tuesday)	**GST**	• GSTR-1 (Statement for furnishing details of outward supplies) for July 2026 by taxpayers whose aggregate turnover exceeds Rs. 5 crores in the previous FY or those who have not opted for QRMP.
13.08.2026 (Thursday)	**GST**	• GSTR-5 by Non-Resident Taxpayers (13th of the next month or within 7 days after the expiry of the registration, whichever is earlier) • GSTR-6 by Input Service Distributor for month of July 2026. • GSTR-IFF (Optional): to furnish B2B Supplies for the month of July 2026 by taxpayers who opted for QRMP Scheme.
14.08.2026 (Friday)	**Income Tax**	• Issue of certificate in Form No. 132 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act 2025 for tax deducted at source under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act 2025 in the month of June, 2026

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
15.08.2026 (Saturday)	**PF/ESI**	• Filing of ECR & challan deposit of ESI & PF collected during July 2026.
15.08.2026 (Saturday)	**Income Tax**	• Issuance of TCS certificate in Form No. 133 (Income-tax Rules, 2026) under section 395(4) of the Income-tax Act, 2025 for tax collected at source for the quarter ending June 30, 2026. • Issuance of TDS certificate in Form No. 131 (Income-tax Rules, 2026) for TDS other than on salary, pension or interest income of specified senior citizen under section 393(1) of the Income-tax Act, 2025 for the quarter ending June 30, 2026. • Due date for furnishing Form No. 137 (Income-tax Rules, 2026) by an office of the Government where TDS/TCS for the month of July, 2026 has been paid without the production of a challan. • Statement in Form 1 (Income-tax Rules, 2026) by the stock exchange for the month of July, 2026, in respect of transactions in which client codes have been modified after registering in the system.
20.08.2026 (Thursday)	**GST**	• GSTR-3B for the month of July 2026 by taxpayers whose aggregate turnover exceeds Rs. 5 Crore in the previous FY or those who have not opted for QRMP. • GSTR-5A by OIDAR services provided for month of July 2026. • GSTR-1A: To add or amend particulars, other than GSTIN, furnished in GSTR-1 of the same tax period. *(It can be filed after filing GSTR 1 & till the filing of GSTR-3B of the same tax period)*
25.08.2026 (Tuesday)	**GST**	• PMT-06 Monthly tax payment for July 2026 under QRMP Scheme

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
30.08.2026 (Sunday)	**Income Tax**	• Furnishing of challan-cum-statement in Form No. 141 (Income-tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of July, 2026.
31.08.2026 (Monday)	**Income Tax**	• Due date for furnishing the return of income for the Assessment Year 2026-27 by the following assessees: • An assessee having income from business or profession whose accounts are not required to be audited, and to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply; and • A partner of a firm whose accounts are not required to be audited, or the spouse of such partner (where Section 5A of the Income-tax Act, 1961 applies), to whom the provisions of Section 92E of the Income-tax Act, 1961 do not apply. • If the assessee is required to submit the return of income on or before August 31, 2026: ◦ Certificate of foreign inward remittance in Form No. 10H (Income-tax Rules, 1962) by a resident individual being an author/patentee claiming deduction under Section 80QQB/80RRB (Income-tax Act, 1961) in respect of income earned from any source outside India ◦ Certificate in Form No. 10-IA (Income-tax Rules, 1962) from the medical authority certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' or 'multiple disability' for the purposes of sections 80DD and 80U (Income-tax Act, 1961).

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
31.08.2026 (Monday)	**Income Tax**	◦ Declaration in Form No. 10BA (Income-tax Rules, 1962) by an assessee claiming deduction under Section 80GG (Income-tax Act, 1961) in respect of the rent paid for residential accommodation. ◦ Certificate in Form No. 10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under section 80QQB (Income-tax Act, 1961) in respect of royalty income. ◦ Certificate in Form No. 10CCE (Income-tax Rules, 1962) by a resident individual being a patentee claiming deduction under section 80RRB (Income-tax Act, 1961) in respect of royalty income on patents. ◦ Form No. 10BBD (Income-tax Rules, 1962) reporting details of funds received from eligible persons, directly or through an Alternative Investment Fund, during the Previous Year 2025-26. ◦ Form No. 10E (Income-tax Rules, 1962) by an employee claiming relief under section 89 (Income-tax Act, 1961) when salary is paid in arrears or in advance, etc. ◦ Form No. 10-EE (Income-tax Rules, 1962) for exercising the option to claim relief under section 89A (Income-tax Act, 1961) for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption. ◦ Form No. 3CT (Income-tax Rules, 1962) by the transferor of shares or interests in, a company or an entity that derives its value substantially from assets located in India, duly certified by an accountant for apportionment of income attributable to assets located in India.

COMPLIANCE DUE DATES

Due Date	Relates to	Particulars
31.08.2026 (Monday)	**Income Tax**	◦ Form No. 3CFA (Income-tax Rules, 1962) for exercising the option to pay tax at a concessional rate under section 115BBF (Income-tax Act, 1961) for income in the nature of royalty arising from patent developed and registered in India. • Form No. 5C (Income-tax Rules, 1962) containing details of attribution of capital gain taxable under section 45(4) (Income-tax Act, 1961) to the capital asset remaining with the firm, AOP, or BOI after reconstitution (if the firm, AOP, or BOI is required to furnish the return of income on or before August 31, 2026). • If the assessee is required to submit return of income on October 31, 2026: ◦ Application in Form No. 9A (Income-tax Rules, 1962) for exercising the option available under Explanation to Section 11(1) (Income-tax Act, 1961) to apply income of previous year in the next year or in future. ◦ Statement in Form No. 10 (Income-tax Rules, 1962) to be furnished to accumulate income for future application under Section 10(21) or Section 11(1) (Income-tax Act, 1961).

INCOME TAX

CBDT NOTIFIES COST INFLATION INDEX FOR FY 2026-27

CBDT has notified the Cost Inflation Index at 384 for Financial Year 2026-27. The notified index shall apply from tax year 2026-27 and subsequent tax years for computing indexed cost wherever permitted under the Income-tax Act, 2025.

CBDT CONDONES DELAY IN FILING FORM 10AB FOR 80G RENEWAL

CBDT has condoned the delay in filing Form No. 10AB for renewal of approval under section 80G(5). The relief applies where the form was filed electronically between 1 October 2025 and 31 March 2026 against the original due date of 30 September 2025. Applications rejected solely due to delay shall also be reconsidered on merits. The jurisdictional PCIT/CIT is required to pass the order on or before 31 December 2026. However, condonation does not provide automatic entitlement to approval under section 80G.

TDS EXEMPTION ON AIRCRAFT AND SHIP LEASE RENTALS TO ELIGIBLE IFSC UNITS

No tax shall be deducted from lease rent or supplemental lease rent paid to an IFSC unit engaged in aircraft and Ship leasing, subject to submission of the prescribed declaration in Form No. 1(N) by the IFSC Unit/ lessor. The exemption is available for the twenty consecutive tax years for which deduction u/s147 of the Income-tax Act, 2025 is claimed and is effective from 1 April 2026.

TDS EXEMPTION FOR SPECIFIED PAYMENTS TO IFSC UNITS

CBDT has notified that no tax shall be deducted on specified payments made to eligible units operating in an IFSC. The exemption covers prescribed receipts of Banking Units, Finance Companies, Fund Management Entities, Insurance Intermediaries, Investment Advisers, FinTech Entities and other specified IFSC units. The payee must furnish Form No. 1(N) to the payer and satisfy the prescribed registration and eligibility conditions. The relaxation is available for the twenty consecutive tax years opted u/s 147 of the Income-tax Act, 2025. The notification is effective retrospectively from 1 April 2026.

INCOME TAX

SHARING OF INCOME-TAX INFORMATION FOR MAHARASHTRA FARMER LOAN WAIVER

CBDT has authorized the Principal Secretary, Cooperation, Marketing and Textile Department, Government of Maharashtra, to receive income-tax information for identifying eligible beneficiaries under the Punyashlok Ahilyadevi Holkar Farmer Loan Waiver Scheme, 2026. The notification has been issued under section 258(1)(b) of the Income-tax Act, 2025. The provision permits sharing of taxpayer information with a notified authority where considered necessary in the public interest. Such information shall be used for determining eligibility under the State Government's farmer loan waiver scheme.

INDIA–SRI LANKA DTAA AMENDING PROTOCOL NOTIFIED

The Central Government has notified the Protocol amending the India-Sri Lanka Double Taxation Avoidance Agreement. The Protocol updates the preamble to prevent non-taxation, reduced taxation and treaty-shopping arrangements. It also introduces the Principal Purpose Test, under which treaty benefits may be denied where obtaining such benefit was one of the principal purposes of an arrangement or transaction. The Protocol entered into force on 19 June 2026 and will apply in India to income derived during financial years beginning on or after 1 April 2027.

NABFID TEN-YEAR ZERO-COUPON BOND NOTIFIED

CBDT has notified the Ten-Year Zero-Coupon Bond of the National Bank for Financing Infrastructure and Development (NaBFID) as a zero-coupon bond u/s 2(112) of the Income-tax Act, 2025. The bonds will have a tenure of ten years and may be issued on or before 31 March 2028. The total maturity or redemption value is ₹20,000 crore, with a discount of ₹10,296.12 crore, and 20 lakh bonds are proposed to be issued. The notification shall apply subject to NaBFID fulfilling the prescribed conditions under the Income-tax Act, 2025 and Income-tax Rules, 2026.

INCOME TAX

NEW ITR-BN FOR BLOCK ASSESSMENTS

CBDT has introduced Form ITR-BN for filing returns in block assessment proceedings arising from searches initiated u/s 247 or requisitions made under section 248 of the Income-tax Act, 2025 on or after 1 April 2026.

MEANING OF "SPECIFIED FUND" EXPANDED – NOTIFICATION NO. 94/2026

The Income-tax Rules, 2026 have been amended to include Category I and Category II Alternative Investment Funds regulated by SEBI or IFSCA within the definition of a "specified fund." The amendment also covers funds referred to in Schedule VI of the Income-tax Act, 2025.

GOODS & SERVICES TAX

AUTOMATIC UPDATION OF AGGREGATE ANNUAL TURNOVER (AATO) – GST PORTAL

- From 1 July 2026, GSTN introduced system enhancements for automatic updation of Aggregate Annual Turnover (AATO) based on subsequent return filings.
- The AATO amendment window for FY 2025-26 was available from 1 July 2026 to 31 July 2026.
- Jurisdictional officers were scheduled to review amendment requests between 1 August and 15 August 2026.

WORKING GROUP ON CENTRALISED ADMINISTRATION

CBIC constituted a Working Group to examine a framework for centralised administration of taxpayers having multiple GSTINs under the same PAN, with the objective of reducing compliance complexity and jurisdictional overlaps.

CBIC CIRCULAR NO. 256/02/2026-GST (25 JULY 2026)

CBIC calrifies the procedure for filing GSTAT appeals in cases where adjudication has been carried out by the DGGI Common Adjudicating Authority. This circular provides procedural clarity for appellate filings.

CBIC CIRCULAR NO. 255/01/2026-GST

Circular clarifies jurisdictional authority during the migration or transfer of registered taxpayers. It ensures that past legal actions remain valid while seamless continuity passes to the new officer.

MANDATORY 'SHIP-TO' FIELD & VOLUNTARY E-WAY BILL CLOSURE

The Goods and Services Tax Network (GSTN) has officially put on hold the rollout of the mandatory "Ship-to" GSTIN field and voluntary e-way bill closure enhancements that were scheduled to start on August 1, 2026. No immediate system changes or process updates are required for businesses at this time

COMPANY LAW

1.MCA Extends CCFS-2026 till 31 August 2026 :
Companies get more time for statutory filings as MCA extends CCFS-2026:

MCA has extended the Companies Compliance Facilitation Scheme, 2026 till 31 August 2026, giving companies additional time to complete pending statutory filings amid ongoing restoration of MCA systems.

LUNAWAT UPDATE

Articles & Presentations

During July 2026 , CA Rajesh Saluja gave following presentations:

- Training for Fintax Program at Escorts Kubota Ltd.

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