## **Just 5 Minutes**

TAXCON® INDIA PRIVATE LIMITED

## **INCOME TAX**

1. Luxury items to attract 1% TCS

Wrist watches, handbags, antiques, paintings, sculptures, sunglasses, home theatre systems, shoes and sportswear priced over Rs 10 lakh will now face a Tax Collected at Source (TCS) levy of 1% at the point of sale effective from April 22, 2025.

2. Directions to report transactions of Rs. 2 lakh or more

Hon'ble Supreme Court while delivering a judgement where a suit was filed, issued directions to all Courts including Registrar where any claim is made by any one of cash having been paid of Rs 2.00 lakh or above to report the same to jurisdictional Income Tax Deptt to verify the transaction and also issue direction to Income Tax Deptt to verify the same and examine violation of Section 269ST of law.

## **GST**

1. Advisory on reporting values in Table 3.2 of GSTR-3B

From April-2025 tax period, inter-state supplies auto-populated in Table 3.2 of GSTR-3B will be made non-editable. The GSTR-3B shall be filed with the auto-populated values as generated by the system only.

Therefore, in case any modification/amendment is required in auto-populated values of Table 3.2 of GSTR-3B, same can be done only by amending the corresponding values in respective tables of GSTR-1A or through Form GSTR-1/IFF filed for subsequent tax periods.

2. Advisory on Table-12 of GSTR-1 or GSTR-1A

GSTN has implemented phase wise changes in Table-12 of GSTR-1 or GSTR-1A and from April, 2025 tax period onwards:-

- Table-12 has been bifurcated into two tables namely B2B and B2C, to report these summary of these supplies HSN wise separately in corresponding table.
- Manual entry of HSN will not be allowed. Taxpayer will be able to choose correct HSN from given Drop down.

### **FCRA**

The Government has extended the validity of FCRA registration certificates. The validity of registration certificates of entities whose validity was extended till March 31, 2025 and whose renewal is pending, will stand extended till June 30, 2025 or till the date of disposal of renewal application, whichever is earlier. Similarly, the validity of FCRA entities whose 5 year validity period is expiring between April 01, 2025 to June 30, 2025 will stand extended up to June 30, 2025.

## CASE LAWS - INCOME TAX

 Whatsapp Chats Revealed Transactions of ₹1 Crore: Rajasthan HC Upholds Income Tax Proceedings.

In a significant ruling, the Rajasthan High Court upheld the legitimacy of transactions of ₹1 Crore, unearthed on the basis of Whatsapp chats against which proceedings under Section 153C of the Income Tax Act, 1961 were sought to be conducted.

2. Madras High Court on partner's salary subject to presumptive taxation

The Madras High Court's decision provides clear and authoritative interpretation of section 44AD, holding that remuneration and interest received by an individual partner from a partnership firm cannot be subjected to the presumptive taxation. The judgement underscores the distinction between business income arising from actual business activities and income derived from partnership arrangements.

## CASE LAWS - INDIRECT TAX

#### 1. McLeod Russel India Ltd. vs. Union of India

The Hon'ble High Court has held that Section 16(2) must be read down in line with the prior ruling, reaffirming that ITC cannot be denied due to the selling dealer's failure to deposit tax. Instead, the department must pursue recovery from the defaulting seller. The court emphasized that burdening compliant purchasing dealers with such consequences is inequitable. Accordingly, the ruling favored the assessee, ensuring ITC entitlement despite the selling dealer's non-compliance.

#### 2. Maruthengal Moideen v. State Tax Officer, Malappuram

It has been held by the High Court of Kerala that there could be no wrong availing of ITC when such credit, available in IGST was availed under the heads CGST & SGST. Electronic credit ledger has to be treated as pool of funds, designated for different types of taxes such as IGST. CGST and SGST.

## CASE LAWS - NI ACT

1 Sanjay Dhingra v. Woori Bank, Gurgaon Branch

It has been held by Delhi High Court that where petitioner, managing director of company, i.e. KL handed over a cheque issued by another company for discharging liability of KL and said cheque was dishonored on presentation, since petitioner was not director is accused company who was drawer of subject cheque, petitioner could not be made liable for offence under section 138 of Negotiation Instruments (NI) Act.

# 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.

