



# Just 5 Minutes

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# Rent Agreement Rules 2025

The Central Government has introduced the new Rent Agreement Rules 2025, bringing major changes to ensure transparency and reduce disputes between landlords and tenants. These rules aim to simplify rental documentation, regulate security deposits, and prevent arbitrary rent hikes—offering significant relief to both parties.

## Key Rules of Rent Agreement – Effective 2025

- Every rent agreement must be digitally stamped and registered online within 60 days of signing. Non-registration may attract a fine starting from ₹5,000
- Security Deposit Maximum 2 months' rent for residential and Maximum 6 months' for commercial
- Rent can be revised only after 12 months and Landlords must give 90 days' written notice before increasing rent.
- Tenants must complete police verification before occupying the property.
- Forced eviction, intimidation, or disconnection of electricity/water is punishable under law.
- Monthly rent above ₹5,000 must be paid digitally

# GST

## 1. *Advisory for Furnishing of Bank Account Details*

As per Rule 10A, taxpayers must furnish their bank account details within 30 days of grant of registration or before filing details of outward supplies in GSTR-1 or IFF, whichever is earlier. The changes with respect to Rule 10A will be implemented on the GST Portal soon and therefore, the taxpayers who have not yet furnished the bank account details till date must update the same at the earliest to avoid suspension of their GST Registration.

# COMPANIES ACT

## 1. *Limits enhanced for small company definition*

The Ministry of Corporate Affairs (MCA) has updated the definition of a Small Company, effective from December 01, 2025 and accordingly, the new criteria are as follow:

Criteria	Existing	Amended
Paid Up Capital	Upto Rs 4 crore	Upto 10 crore
Turnover	Upto Rs 40 crore	Upto 100 crore

The definition excludes public companies, holding/subsidiary companies, Section 8 companies, and companies governed by special Acts

# LABOUR LAWS

## 1. *Rajasthan Govt. exempted MSMEs from S&E Act registration*

Exemption Criteria: MSMEs with 0-10 employees are exempt from registration under the Rajasthan Shops and Commercial Establishments Act, 1958.

Applicable Establishments: The exemption applies to MSMEs, including shops, restaurants, and service providers, with 0-10 employees.

# CASE LAWS - INCOME TAX

## 1. *Sterling Holiday Resorts Ltd. v. DCIT - [2025]*

It has been held that where assessee claimed long-term capital loss on sale of land based on a valuation report as on April 01, 2001 but did not provide collector or circle rate to substantiate fair market value and Assessing Officer determined capital gains using a different indexed cost, matter was to be decided afresh on merits by obtaining relevant collector or circle rate and affording opportunity to both parties.

## 2. *Our Shoulders Foundation v. CIT, (Exemptions)*

It has been held that where assessee-trust filed application for final registration under section 80G(5)(iii) beyond prescribed timeline and Commissioner (Exemptions) rejected application solely on ground of delay, such delayed application was to be treated as having been filed under clause (iv) of first proviso to section 80G(5) and to decide grant of approval on merits.

# CASE LAWS - INCOME TAX

## 3. *Rajen Jayantilal Merchant v. Assessment Unit, Juris. AO - [2025]*

It has been held that where assessee claimed deduction under section 80GGC on account of donation made to a political party, since bank accounts of said political party had been used by accommodation entry provider where donation received by cheques were layered through various bank accounts and ultimately cash was returned back, impugned disallowance of deduction under section 80GGC was justified.

## 4. *Deloitte Consulting India Projects LLP v. Assistant Director of Income Tax (Intl Taxation)-1*

It has been held that where TPO proposed an adjustment on account of provision of services by assessee to its AE and DRP upheld findings of TPO by rejecting additional evidence filed by assessee on ground that there was non-compliance of procedure prescribed under Rule 4 of DRP rules, since said additional evidence was essential for determining correct arm's length price, it was to be admitted.

# CASE LAWS - INCOME TAX

## 5. *Abdul Rahman Asad v. DCIT - [2025]*

It has been held that where a non-resident assessee sold an immovable property and declared resulting long-term capital gain in year of transfer, but purchaser deposited and reported TDS in subsequent year, credit for such TDS must be allowed in year in which income is assessable (year of transfer), particularly since Form 71 was duly filed through ITBA portal.

# CASE LAWS - INDIRECT TAX

## 1. *NO GST on renting of residential dwelling to hostel Aggregators*

The Supreme Court of India has dismissed the appeals filed by the State of Karnataka, upholding the decision of the Karnataka High Court that the leasing of residential premises to a lessee for the purpose of using them as a hostel for students and working professionals is exempt from GST.

It was further held that the exemption under Entry 13 of Notification No. 9/2017-Integrated Tax (Rate) dated 28.06.2017 is “activity specific” and not “person specific.” The Court ruled that the benefit of the exemption is available even if the lessee (an aggregator) does not use the premises for their own residence, provided the property is ultimately used as a residence.

# 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 tCO<sub>2</sub>e/equivalent output or product.

## Key Highlights of the Rules

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

Compliance Requirements for Obligated Entities: 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.

Environmental Compensation: 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.

Legal Backing: 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](mailto: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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