



Just 5 Minutes

TAXCON[®] INDIA PRIVATE LIMITED

INCOME TAX

Excel Utilities for filing Updated Return in ITR-1 to 7 for AY 2025-26 are available now for filing.

COMPANIES ACT

1. *Change in Director KYC Rules*

The Director annual KYC filing requirement has been replaced with a simpler KYC intimation once in every three years. The revised simpler KYC Form can be used for various purposes

- ▶ KYC compliance,
- ▶ updation of mobile number,
- ▶ updation of email address,
- ▶ updation of residential address and
- ▶ re-activation of DIN.

The verification (through digital signature) by DIN holder/director and certification (through digital signature) by the professional during KYC filing process would be required only if the KYC Form is submitted for updation of mobile number or email address or residential addresses.

LABOUR LAW

1. *EPFO Extends ECR Filing Deadline for December 2025*

The Employees' Provident Fund Organization (EPFO) has announced an extension for filing the Electronic Challan-cum-Return (ECR) for the wage month of December 2025, due technical and operational challenges reported by employers and stakeholders. The new deadline is January 20, 2026, providing an additional five days beyond the original due date.

CASE LAWS - INCOME TAX

1. *Nitin Bhatia vs ITO*

ITAT Hyderabad bench has held that full deduction u/s 54 shall be allowed for house purchase within two years despite non-deposit in Capital Gain Accounts Scheme notwithstanding that unutilized amount was not deposited in Capital Gain Accounts Scheme before due date under section 139(1), since substantive condition under section 54(1) stood satisfied.

2. *ACIT v. Jay Bharat Mehta (ITAT Mumbai)*

Where the assessee claimed deduction u/s 54F in respect of purchase of house property and the AO disallowed the full deduction, restricting it to 50%, asserting joint ownership of the purchased property, on appeal the Tribunal held that entire purchase consideration for the property was paid by the assessee. The wife's inclusion in the property title was deemed nominal and for convenience, therefore full deduction claimed u/s 54F by husband is allowed.

CASE LAWS - INCOME TAX

3. *JM Financial Foundation v. ITO (Exem.) - [2026]*

It has been held that where assessee-trust was denied exemption for unspent CSR on ground of non-filing or belated filing of Form 10, since delay in filing Form 10 could be condoned since trust's genuineness was never doubted, assessee was permitted to apply for condonation and seek consideration of Form 10 for relevant years according to law.

4. *Clearmedi Healthcare (P.) Ltd. v. DCIT, Circle 4(2), Delhi*

It has been held that CBDT OMs do not mandate fixed pre-deposit and, therefore, Assessing Officers must consider merits of a case and potential hardships when deciding stay applications, rather than mechanically applying a pre-deposit requirement

CASE LAWS - INCOME TAX

5. *Swatch Group (India) Retail (P.) Ltd. v. DCIT - [2025]*

It has been held that where assessee, primarily engaged in retail trading of watches, entered into a one-off diamond sale transaction with its AE and furnished segmental results along with allocation of relevant expenditure, TPO was not justified in rejecting such segmental data and making transfer pricing adjustment at entity level, ignoring that diamond trading was not assessee's regular business activity.

7. *ITO v. S.R.K.M Steels (P.) Ltd - [2025]*

It has been held that where assessee, engaged in construction and sale of flats, consistently followed project completion method and offered income from housing project to tax on completion, Assessing Officer was not justified in invoking percentage completion method merely because more than 25% of area was sold during year, as income had already been offered in subsequent years and such action would result in double taxation.

CASE LAWS - INDIRECT TAX

1. *Court upheld validity of GST late fee*

The Madras High Court has upheld the validity of GST late fees, distinguishing it from tax and penalty. According to the ruling, late fees under Section 47 of the GST Act are regulatory charges intended to defray administrative costs associated with managing delayed compliance and maintaining the integrity of the digital tax ecosystem. The court emphasized that late fees are distinct from penalties, serving a different purpose. Late fees aim to regulate compliance, whereas penalties are imposed as punishment and amount is automatically computed based on a fixed, mathematical basis linked to the period of delay.

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

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

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.



Fortnightly Update No : 450th

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