

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily triangles and polygons, creating a dynamic, modern aesthetic. The shapes are layered, with some appearing more prominent than others, and they are set against a clean white background.

Just 5 Minutes

TAXCON® INDIA PRIVATE LIMITED

INCOME TAX

- ▶ Tax audit forms 3CA, 3CB, and 3CD have been merged into a single Form 26.
- ▶ Final deadline for Q4 TDS returns (Forms 24Q, 26Q, 27Q) for the period Jan-March 2026 is 31st May 2026.
- ▶ Deadline for furnishing the Form 10BE (Certificate of Donation) for FY 2025-26 is 31st May 2026.

LABOUR LAW

1. *Revision in LWF - Haryana*

The Labour Welfare Fund (LWF) employee contribution has been revised from Rs. 34 per month to Rs. 35 per month. The employer contribution shall remain twice the employee contribution, and accordingly increased from Rs. 68/- per month per employee to Rs. 70 per month per employee. The revised rates are applicable with effect from Jan 1, 2026.

CASE LAWS - INCOME TAX

1. *Madhavi Farms (P.) Ltd. v. ITO*

It has been held that where assessee sold land situated over 8 km from nearest municipality, classified as agricultural land in revenue records and not converted to non-agricultural use, such land did not constitute a capital asset u/s 2(14), irrespective of whether agricultural operations or income were substantiated, and accordingly, no capital gains were chargeable on its transfer.

2. *Cambridge University Press and Assessment India (P.) Ltd. v. ACIT, National e-Assessment Centre*

It has been held that where assessee availed management support services from AE and benchmarked said transaction using TNMM and TPO determined ALP at NIL by invoking 'Other Method' without identifying any comparable uncontrolled transaction, since rule 10AB require comparable uncontrolled transaction for application of 'Other Method' absence of such comparables made rejection of TNMM unsustainable and TP adjustment was to be deleted.

CASE LAWS - INCOME TAX

3. *Ashish Bhatia v. ITO*

It has been held that where assessee sold share in residential house, invested gains with co-owners in new property comprising house, servant quarter, driveway, and land appurtenant, and AO denied section 54/54F deduction for land portion by treating it as agricultural, since inspector's report did not conclusively establish substantial agricultural use, entire property including appurtenant land was eligible for deduction under section 54F.

4. *Advics Co. Ltd. v. DCIT*

It has been held that where a Japan-resident company seconded expatriate employees to its Indian associated enterprise and Indian AE reimbursed employee cost while being real employer, controlling and compensating the employees whose salaries were taxed in India, such reimbursement lacked any income character and was not taxable as Fees for Technical Services under India-Japan DTAA.

CASE LAWS - INDIRECT TAX

1. *Jindal Drugs (P) Ltd. v. UOI*

It has been held that where petitioner, pursuant to earlier writ, was granted delayed IGST refund but the authorities sanctioned interest at reduced or nominal rates without providing reasons or following section 56, such orders regarding interest are invalid and officer must re-determine interest strictly in accordance with section 56 after granting opportunity of hearing.

CASE LAWS - COMPANIES ACT

1. *ROC Cuttack in the case of AV Industries Private Limited and its directors*

It has been held that dissolution of company does not absolve directors of liability for defaults during tenure, as per Section 203(5), requiring the company to appoint a Whole-Time Company Secretary as mandated under Section 203(1)(ii) read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, despite meeting the applicable paid-up capital threshold. ROC imposed penalty of Rs 5 lakh on each director and the company, after dissolution of the company.

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 : 457th
Disclaimer: This is for private circulation only. Every effort has been made to provide the correct information for the facility of our clients.
Specific advice/clarification should be obtained in case there is any doubt relating to the aforesaid