



Just 5 Minutes

TAXCON® INDIA PRIVATE LIMITED



GST

1. *SCN to sent thru post*

The Haryana Government has mandated intimation of GST Show Cause Notices (SCN) and Demand Orders through Registered/Speed Post to Strengthen Taxpayer Communication. These instructions have come into force with effect from June 01, 2026.

2. *Temporary Identification Number (TIN)*

The Government has notified amendments to GST rules to enable grant of Temporary Identification Number (TIN) for persons not liable to registration but required to make GST payments. The amendment addresses situations like reverse charge payments, casual transactions, or one-time tax liabilities where full GST registration is not needed.

The move follows GST Council's recommendation to streamline compliance for entities that occasionally need to make tax payments but are not required to take full GST registration. This ensures smooth tax payments while reducing compliance burden on those who do not regularly engage in taxable activities.



FEMA/ RBI Regulations

1. *Immigration & Foreigners Rules*

The Central Government has notified the Immigration and Foreigners (Amendment) Rules, 2026 (“Amendment”) introducing various changes pertaining to conditions and registration requirements for foreigners arriving in India, and the same are effective from June 01, 2026.

Key Highlights:

- *Pre-Expiry Registration Mandate:* Foreigners seeking to stay in India beyond 180 days must now complete their registration before the 180-day limit expires. This replaces the previous 14-day post-stay grace period.
- *Tighter Multi-Entry Rules:* For long-term visas, late registration past the 180-day limit is only permitted under strict, exceptional emergency circumstances.
- *Digital Appeals System:* A structured online appeals process has been added. Affected individuals can digitally file appeals directly with the Commissioner of the Bureau of Immigration within 30 days of receiving an order, with decisions to be issued within 60 days.
- *Relief for Mixed-Citizenship Families:* The Amendment eases birth reporting requirements for children, provided one parent is an Indian citizen and the child retains Indian nationality.



FEMA/ RBI Regulations

2. *Amendments to the Foreign Exchange Management (NDI) Regulations*

The in Regulations broaden eligible foreign investors, refine payment channels, and mandate prior government approval for investments linked to countries sharing land borders with India.

Key Regulatory Changes

- The term "Non-Resident Indian (NRI) or Overseas Citizen of India (OCI)" has been largely replaced with "any individual resident outside India," opening up specific investment and repatriation schemes to a wider category of foreign individuals.
- Eligible individuals can now purchase, sell, and transfer equity instruments of listed Indian companies on a repatriation basis under designated conditions.
- Investments that result in ownership or control passing to entities or individuals from countries that share a land border with India (or where the ultimate beneficial owner resides there) now strictly require prior Government approval.



LABOUR LAW

1. *Transgender Persons (Protection of Rights) Amendment Act, 2026*

The Ministry of Social Justice and Empowerment appoints May 25, 2026 as the date on which provisions of Transgender Persons (Protection of Rights) Amendment Act, 2026 is effective from.

Key Legal and Practical Changes

- The amendment removes the explicit right to self-perceived gender identity that was previously codified in Section 4(2) of the 2019 Act.
- To obtain a certificate of identity, the District Magistrate must now examine the recommendations of a designated **Medical Board**.
- The revised definition is restricted to specific **socio-cultural identities** (e.g., kinner, hijra, aravani, jogta, eunuch) and individuals with recognized congenital biological variations.
- The Act introduces strict, graded criminal punishments for forcing someone to assume a transgender identity.



LABOUR LAW

2. *Haryana Labour Welfare Board revises the rate of monthly contribution for LWF*

The Haryana Labour Welfare Board has revised the rate of contribution to the fund every month by employers and employees having retrospective effect from January 01, 2026.

The amended rate of contribution for employees would be an amount equal to 0.2% of his salary/wages/any remuneration, subject to a limit of Rs. 35/-.

3. *Government retains the Wage Ceiling of Rs. 15,000 per month for the purpose of EPF*

The Central Government has notified Rs. 15,000 per month as the wage ceiling for the purposes of determining the eligibility for membership under Chapter III [Employees' Provident Fund (EPF) related provisions] of the Code on Social Security, 2020

CASE LAWS – INCOME TAX

1. *ITAT on TDS obligation on purchase of property*

The Mumbai Income Tax Appellate Tribunal (ITAT), in the case involving a Mumbai resident, who had jointly purchased a residential flat in the tiny area of Haji Ali, worth Rs 1.9 crore with her husband, holding 15% share in the property (Rs. 28.50 lakh) and deducted TDS of Rs 28,500 u/s 194-IA on her share of the purchase price. However, the tax department raised a demand exceeding Rs 5.8 lakh, alleging short deduction of tax on the ground that the seller's PAN was inoperative and therefore higher TDS provisions under Section 206AA should have applied. The ITAT deleted the demand, noting that the seller had subsequently linked Aadhaar with PAN and regularised the PAN within the timeline prescribed. The ITAT also observed that the seller had disclosed the capital gains in his tax return and paid the applicable taxes, making it inappropriate to treat the buyer as an 'assessee in default'



CASE LAWS – INDIRECT TAX

1. *Gurucharan Kangsa Banik v. Union of India*

The Gauhati High Court has once again answered this question in favour of taxpayers in the case, holding that ITC cannot be denied merely because the supplier failed to deposit GST with the Government when the purchaser has acted bona fide and fulfilled all statutory requirements.

2. *In the case of Teemage Builders (P) Ltd.*

The Tamilnadu Authority for Advance Ruling (AAR) has held that construction sites where the erection and assembly of precast structures are undertaken possess a sufficient degree of permanence along with deployment of human and technical resources, thereby qualifying as a fixed establishment. It was further held that where such construction sites are located within Tamilnadu, they may be treated as an additional place of business, however for sites located outside the state, separate registrations become mandatory.

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.

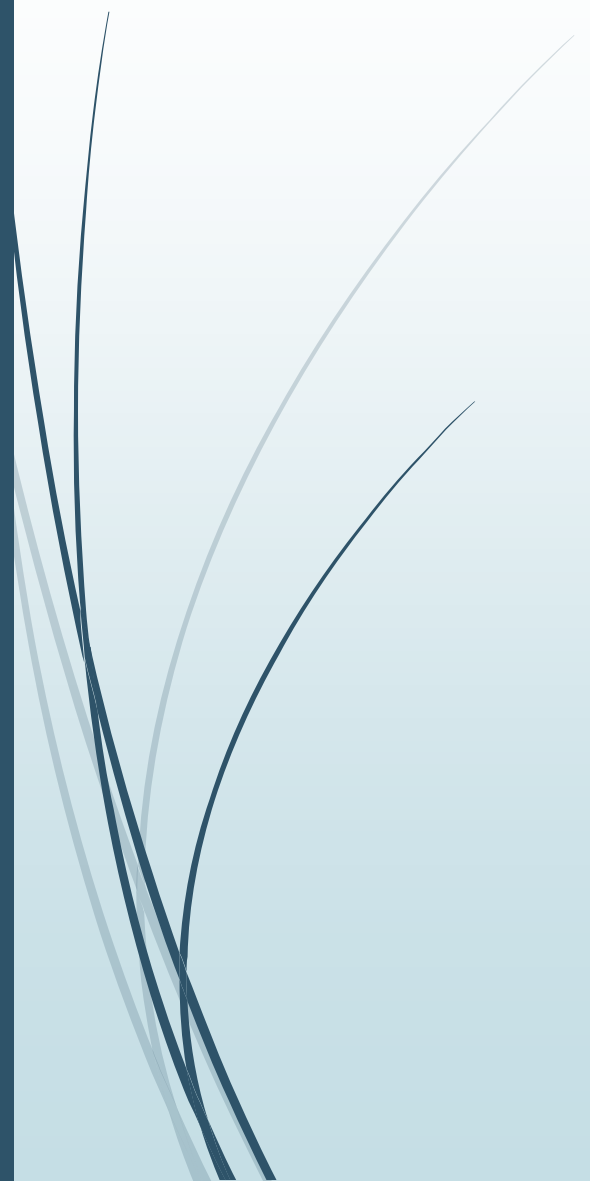
May also purchase carbon credit certificates from the Indian Carbon Market (ICM) to offset shortfalls.

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 : 459th

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