

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

CHENGALPATTU DISTRICT BRANCH (SIRC)
(Formerly Known as Kanchipuram District Branch)

E-Newsletter - December 2025



Address : Flat No. 402 Fourth Floor, No.1A, Periyalwar Street,
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ARTICLES INVITED FROM MEMBERS

Note: Articles are invited from members for publishing in Newsletter. The articles shall be either on the specific subject or a general article. Members can send their articles with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our E-mail id mentioned below:

E-mail id: chengalpattu@icai.org

Note: The views expressed in the articles published, are their own views and Chengalpattu District Branch (SIRC) does not endorse or take responsibility.

From the Chairman's Desk

December 2025



Dear Members,

Warm greetings from the Chengalpattu District Branch of SIRC of ICAI. November 2025 was a month of remarkable progress for our branch, marked by meaningful professional initiatives, impactful student outreach, and significant institutional milestones. Your active participation and support have enabled us to conduct several enriching programs across GST, taxation, auditing standards, peer review preparation, and AI automation—all contributing to the continuous upgrading of our professional capabilities.

CA. SHIVACHANDRA REDDY K

Highlights of November 2025

CPE Programs – Technical Enrichment

A series of focused programmes were conducted during the month, offering valuable insights across domains:

- **Using AI in Automating CA Office**

A practical session demonstrating AI-enabled tools that can enhance efficiency and reshape practice workflows.

- **SQM-1 & Peer Review Documentation**

A detailed overview of quality management requirements and documentation standards essential for Peer Review preparedness.

- **Income Tax and TDS Awareness Programme**

A highly engaging session addressed by senior officers of the Income Tax Department, covering amendments, compliance expectations, and issue resolution.

- **GSTR – 9 & 9C**

A comprehensive workshop covering annual GST return filing, reconciliation challenges, and audit requirements.

- **AASB Workshop**

A full-day workshop organised by the Auditing and Assurance Standards Board featuring SME audit approach, CARO insights, audit trail requirements, certification notes, and the role of AI in audit documentation.

These programmes were well received by members and reaffirm our commitment to strengthening technical excellence.

December 2025

Super Mega Career Counselling Initiative:

On 27th November 2025, our branch conducted a Super Mega Career Counselling Programme across 29 schools, reaching over 6,000 students in a single day, one of our largest outreach initiatives ever. My sincere appreciation to the school administrators, the Career Counselling Team led by CA. Arumugaraj P, and all volunteers for their dedication. A special thanks to Mrs. Pankajam Rahavan for her meticulous coordination. The unity and professionalism displayed truly reflect the spirit of our Chengalpattu District Branch.

Branch Building – A Dream Nearing Reality:

Another milestone that brings immense pride to all of us is the near completion of our state-of-the-art Branch Building. Finishing works are progressing steadily, and we are delighted to share that the inauguration is planned for the fourth week of January 2026.

This new ICAI Bhawan will soon become a vibrant centre for learning, training, and professional development for both members and students. My sincere gratitude to all members and particularly to our past Chairmen whose vision, perseverance, and consistent support have helped transform this long-cherished dream into reality.

SICASA Activities – Empowering the Next Generation:

November 2025 was equally enriching for students. The AURA-AI Workshop strengthened their understanding of emerging technologies, while the Industrial Visit offered valuable insights into manufacturing processes, compliance systems, and practical documentation.

Looking ahead, students can look forward to an exciting lineup: SUDAR 2025, a platform to enhance leadership and technical confidence; a seminar on GSTR-9 & 9C to build essential conceptual clarity; and Chengai Vizha 2025, celebrating student talent and creativity.

These initiatives are thoughtfully curated to nurture technical competence, practical exposure, and holistic development.

Motivational Note – “Small Improvements, Big Impact”:

As we move closer to the end of the year, let us remember that meaningful progress is often built on small yet consistent steps. A process refined, a task completed on time, a new idea explored, or a skill improved, all contribute to long-term excellence.

Let us continue to learn, adapt, and grow together as a professional community.

With collective effort and purpose, we can achieve greater milestones in the months ahead.

Warm regards,
CA. Shivachandra Reddy K
Chairman
Chengalpattu District Branch (SIRC)

December 2025

PHOTO GALLERY

CPE Meeting

Topic: Using AI in Automating CA Office

Speaker: CA. Aanand P

Date: 08th November 2025, Saturday

Time: 5:00 PM to 8:00 PM

Venue: Branch Premises



December 2025

CPE Meeting

Topic: SQM 1 & Preparation of firm documents for Peer Review

Speaker: CA. Lavanya G K

Date: Saturday, 15th November 2025

Time: 5:00 PM to 8:00 PM

Venue: Branch Premises



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December 2025

Topic: Income Tax and TDS Awareness Program

Speaker: Shri. S. Sriram, I.R.S, Shri. Gautham S Mukundan I.R.S and Smt. Janaki Karthigayan

Date: Thursday, 20th November 2025

Time: 5:00 PM to 7:00 PM

Venue: Branch Premises



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December 2025

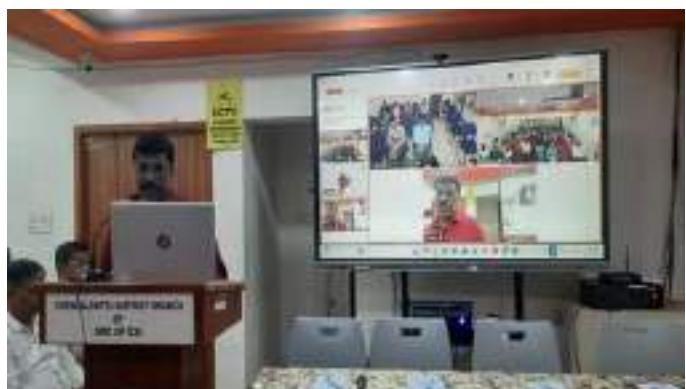
Topic: GSTR – 9 & 9C

Speaker: CA. Saradha Hariharan and CA. Seetharaman S

Date: Saturday, 22nd November 2025

Time: 4:00 PM to 8:00 PM

Venue: Branch Premises



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December 2025

Topic: Workshop on Auditing & Assurance Standards

Speaker: CA. Balaji R S, CA. Ramesh S, CA. Mahesh Krishnan and CA. Aravind K

Date: 29th November 2025 (Saturday)

Time: 9.00 AM to 5.00 PM

Venue: Accord Chrome, CLC Works Road, Shankar Nagar, Chromepet, Chennai 600044



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December 2025



Super Mega Career Counselling

School name: SRIMATHI SUNDARAVALLI MEMORIAL SCHOOL

Date: 27th November 2025 (Thursday)

Time: 11.30 AM - 12.30 PM

Name of the Counsellor: CA. VEDHAVALLI R.S

Venue: AFFILIATED TO THE CBSE, NEW DELHI – AFFILIATION NO. 1930487), Mappedu Road, Alapakkam, New Perungalathur, Chennai – 600 063



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December 2025

School name: Sri Sankara Global Academy

Date: 27th November 2025 (Thursday)

Time: 10 AM - 11.00 AM

Name of the Counsellor: CA. Arthi Dineshkumar

Venue: P1, Thiruvallur Nagar, Thiruvalluvar Nagar Main Rd, Rajamanickam Nagar, Keelkattalai, Chennai, Tamil Nadu 600117



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Sri Sankara Matric Hr Sec School

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 12.00 Noon

Name of the Counsellor: CA. Shanmuga Priya

Venue: Thiruvalluvar Nagar, Thiruvanmiyur, Chennai 600 041.



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: CSM Municipal Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 4.00 PM - 5.00 PM

Name of the Counsellor: CA. Srividya S

Venue: 100/101 krishnan street Pillayarpalayam kanchipuram -631501



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Government Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 12.00 Noon

Name of the Counsellor: CA. Petchi Kannan

Venue: Nadu Street, Ayyangarkulam, Tamil Nadu 631502.



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Sivananda Sevashram Group of Schools

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 12.00 Noon

Name of the Counsellor: CA. Venkatakrishnan M

Venue: Mangalapuri, GST Road, Next to SRM, Kattankulathur, Chennai 603203.



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Vani Matriculation School

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 11.30 AM

Name of the Counsellor: CA. Balasubramanian K

Venue: No.:40/41, Sudharsan Nagar Second Street, Madambakkam, Chennai 600 126.



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Swami Vivekananda Matriculation Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 3.00 PM - 4.00 PM

Name of the Counsellor: CA. Petchi Kannan

Venue: Sevilimedu, Kanchipuram - 631502 (Near Dr J J Nagar)



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Serva Sev Vidhyalaya Matric School

Date: 27th November 2025 (Thursday)

Time: 11.00 AM - 12.00 Noon

Name of the Counsellor: CA. Ravikumar M

Venue: Manithottam in Uttiramerur, Kanchipuram 603406



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Servasev Vidhyalaya Matriculation Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 2.00 PM - 3.00 PM

Name of the Counsellor: CA. Ravikumar M

Venue: Kunnavakkam



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December 2025

School name: Sri Ramakrishna MHSS

Date: 27th November 2025 (Thursday)

Time: 1.30 PM - 3.00 PM

Name of the Counsellor: CA. Bhuvaneswari R V

Venue: South Street, West Tambaram, Chennai 600 045



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Salavakkam Government School

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 12.00 Noon

Name of the Counsellor: CA. Anmol L

Venue: Salavakkam - Thiruppulivanam Rd, Salavakkam, Seethapuram, Tamil Nadu 603107



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December 2025

School name: Government Girls Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 11.00 AM - 12.00 Noon

Name of the Counsellor: CA. Sathiyanarayanan K R

Venue: Thiruveethipallam, Kamarajar Salai, Big Kanchipuram - 631501



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December 2025

School name: Dr P.S.S Municipal Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 11.00 AM - 12.00 Noon

Name of the Counsellor: CA. Srividya S

Venue: Vaigundapuram St, Ennaikaran, Kanchipuram - 631501



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December 2025

School name: A M Jain School

Date: 27th November 2025 (Thursday)

Time: 11.00 AM - 12.00 Noon

Name of the Counsellor: CA. Sharmila

Venue: No.2, Govindaswami Street, Meenambakkam, Chennai 600061.



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December 2025

School name: Government Boys Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 12.00 Noon

Name of the Counsellor: CA Padmanaban V

Venue: Irumbuli Nkothimangalam, Thirukalukundram-603109



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December 2025

School name: Government Girls Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 2.00 PM - 4.00 PM

Name of the Counsellor: CA Padmanaban V

Venue: No.9, Oragadam Road, Thirukkalukundram - 603109.



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December 2025

School name: Sreevatsa Viswanathan Vivekananda Vidyalaya Senior Secondary School

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 11.00 AM

Name of the Counsellor: CA. Uma Maheswari

Venue: 13, Abraham Lincoln Street, Nazib Avenue, Chitlapakkam, Chennai - 600064



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December 2025

School name: Shri Anand Jain Vidyalaya (SAJV)

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 11.30 AM

Name of the Counsellor: CA. Bharath

Venue: 74, Kakkan Street, West Tambaram



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December 2025

School name: SSKV Girls Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 11.00 AM

Name of the Counsellor: CA. Sivagurunathan T

Venue: SSKV AIDED SCHOOL, CHOLLAHA CHATHRAM STREET, OPPOSITE TO GOMATHI SILKS, NEAR KACHAPESWARAR TEMPLE, Kanchipuram



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Smt.Ramkuwar Devi Fomra Vivekananda Vidyalaya

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 12.00 Noon

Name of the Counsellor: CA. Nookala Kavya

Venue: 1, Mahadevan Street, Nehru Nagar, Chromepet, Chennai-600 044



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Sankara School, Sri Sankara Vidyalaya

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 11.00 AM

Name of the Counsellor: CA. Thangeswari

Venue: Sri Sankara Nagar, Main road Ekambaram St, Pammal, Chennai, Tamil Nadu 600075.



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Madha Matriculation Hr. Sec. School

Date: 27th November 2025 (Thursday)

Time: 10.00 AM - 11.00 AM

Name of the Counsellor: CA. Vivek Rajan

Venue: Sriperumbudur Road, Kundrathur, Kavanur, Sikkarayapuram, Tamil Nadu 600069



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December 2025

School name: Vidhya Sagar Global School, G.S.T. Road

Date: 27th November 2025 (Thursday)

Time: 1.15 PM - 2.15 PM

Name of the Counsellor: CA. Malathi

Venue: Vedanarayananapuram, Chengalpattu – 603 111



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Govt Girls Higher Secondary School (GGHSS)

Date: 27th November 2025 (Thursday)

Time: 10.30 AM - 12.00 Noon

Name of the Counsellor: CA. Malathi

Venue: Alagesan Nagar, Chengalpattu



Chengalpattu, Tamil Nadu, India

Mxjh+m84, Gandhi Salai, Alagesan Nagar, J C K Nagar,
Chengalpattu, Tamil Nadu 603001, India

Lat 12.681872° Long 79.978216°

Thursday, 27/11/2025 11:07 AM GMT +05:30

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December 2025

School name: Govt Hr Sec School

Date: 27th November 2025 (Thursday)

Time: 11.30 AM - 12.30 PM

Name of the Counsellor: CA. Sanil

Venue: SINGAPERUMAL KOIL, CHENGALPATTU District



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Govt Hr Sec School
Date: 27th November 2025 (Thursday)
Time: 1.30 PM - 2.30 PM
Name of the Counsellor: CA. Anmol L
Venue: Veeranakunnam, Maduranthagam



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Swami Vivekananda Group of Schools

Date: 27th November 2025 (Thursday)

Time: 2.00 PM - 3.00 PM

Name of the Counsellor: CA. Shwetha Narayan

Venue: Kulasekara Perumal Street, Vivekanandapuram, Sriperumbudur-602 105



E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

School name: Saraswathi Vidyalaya Matriculation Higher Secondary School

Date: 27th November 2025 (Thursday)

Time: 12.00 Noon - 1.00 PM

Name of the Counsellor: CA Bharath Raj R

Venue: R.S, Vellore – 635 803.



December 2025

Upcoming Programs



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
CHENGALPATTU DISTRICT BRANCH (SIRC)



*Cordially invites you to our **CPE** meeting on*

Time	Particulars	Speaker
4.00 PM to 6.00 PM	Annual filing Forms under MCA V3	Mr. Sudarsan Babu V
6.00 PM to 8.00 PM	Private Limited Company Audit Tiny Details Towering Impact	CA. Narasimma Raghavan R

on Saturday, 13th December 2025

at Flat No.302, Third Floor, Branch Premises

CPE - 4 Hrs | Time - 4:00 PM to 8:00 PM

Registration Link: <https://events.cglportal-icai.org/member>

Fee - Rs.590/- including GST

(Nil Fee for ARC Members of Chengalpattu District Branch)

Followed by Dinner



Register link : wfa.icai.org/register



CA. Shivachandra Reddy K
Chairman

CA. Sathish T S
Secretary

CA. Sridhar Ganesh N
Managing Committee Member

CA. Deepa Rao
Managing Committee Member

Flat No.402, Fourth Floor, No.1A, Periyalwar Street, Sundaram Colony, East Tambaram Chennai - 600058,
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Mail Id: Chengalpattu@icai.org | www.chengal-icai.org



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)



Organised by
GST & INDIRECT TAXES COMMITTEE
Hosted by
CHENGALPATTU DISTRICT BRANCH (SIRC)

Cordially invites you to the
Two Days Seminar on GST



on 19th & 20th December 2025 (Friday & Saturday)

at

PRC Residency
No - 10B, Kakkan Street, West Tambaram,
Chennai 600 045

CPE
12 Hrs

REGISTER NOW

Scan here for registration



Scan here for Location



Program Chairman



CA. Rajendra Kumar P.
Chairman
GST & Indirect Taxes Committee

Program Co-Chairman



CA. Umesh Sharma
Vice-Chairman
GST & Indirect Taxes Committee

Program Co-ordinators



CA. Shivachandra Reddy K
Chairman
Chengalpattu District Branch (SIRC)



CA. Sathish T S
Secretary
Chengalpattu District Branch (SIRC)

E-Newsletter - Chengalpattu District Branch (SIRC)

December 2025

DAY WISE PROGRAM SCHEDULE

DAY 1 Friday 19.12.2025	9.00 AM to 9.45 AM	Registration
	9.45 AM to 10.00 AM	Inauguration
	10.00 AM to 12.00 Noon (10 Minutes Tea Break)	Session - I GST Impact on Works Contract, Joint Development Agreement (JDA) & Transferable Development Rights (TDR) CA. Bharath Kumar N K
	12.00 Noon to 1.00 PM	Session - II GST Implications on Charitable Institutions, CSR Activities & Educational Services CA. Aravind Thangam P
	1.00 PM to 2.00 PM	Lunch Break
	2.00 PM to 3.00 PM	Session - II Continues CA. Aravind Thangam P
	3.00 PM to 5.00 PM	Session - III Practical Challenges and Emerging Issues in Input Tax Credit (ITC) CA. Shaikh Abdul Samad Ahmad
DAY 2 Saturday 20.12.2025	10.00 AM to 12.00 Noon (10 Minutes Tea Break)	Session - I Appeal Procedures in GSTAT Mr. R Srivatsan IRS
	12.00 Noon to 1.00 PM	Session - II Cross Charge, Input Service Distribution (ISD), Secondment under GST & RCM CA. Prasanna Krishnan V
	1.00 PM to 2.00 PM	Lunch Break
	2.00 PM to 3.00 PM	Session - II Continues CA. Prasanna Krishnan V
	3.00 PM to 5.00 PM	Session - III Burning Issues in GST Assessments & Appeals CA. Srinivasan V

Fee Structure

ARS Members Fee - Chengalpattu District Branch of SIRC (2025-26) - Rs.200/- + 18% GST = Rs.236/-

Non ARS Members Fee - Rs.1,500/- + 18% GST = Rs.1,770/-

Non Members Fee - Rs.2,000/- + 18% GST = Rs.2,360/-

Delegate program link: <https://events.cgiportal-icai.org/member>

Flat No.402, Fourth Floor, No.1A, Periyalwar Street, Sundaram Colony, East Tambaram

Chennai - 600059, Ph :044-22390098, 8056244300

Mail id: Chengalpattu@icai.org | www.chengai-icai.org

LEGAL UPDATES

December 2025

by



CA. SIVAGURUNATHAN T

NEW LABOUR LAWS: OVERVIEW & IMPLICATIONS

(A Comprehensive Yet Crisp Summary)

India's labour regulatory framework historically consisted of 29 fragmented Central labour laws, many dating back to the pre-independence era. These laws were often overlapping, compliance-heavy, and inadequate for today's workforce—nearly 50 crore workers, of whom mostly are in the unorganised sector.

To modernise and simplify this framework, the Government of India consolidated these legislations into four Labour Codes:

1. Code on Wages, 2019
2. Industrial Relations Code, 2020
3. Code on Social Security, 2020
4. Occupational Safety, Health & Working Conditions (OSH) Code, 2020

These Codes aim to synergise worker welfare and employer efficiency, ensuring economic growth through balanced regulation.

KEY FEATURES AT A GLANCE

1. Universal Wage Security – Code on Wages, 2019

- Minimum Wages extended to all employees, eliminating the concept of "scheduled employments."
- Introduction of Central floor wage to reduce regional disparities.
- Uniform definition of wages.
- Mandatory timely payment of wages and prohibition of gender-based wage discrimination.
- Implication: Clear wage structures, better compliance, and improved wage justice.

2. Strengthening Industrial Harmony – Industrial Relations Code, 2020

- Recognition of a negotiating union (51% votes) for structured employer–union dialogue.
- Conditions strengthened for strikes, ensuring industrial stability.
- Reskilling Fund for retrenched workers and streamlined tribunal processes.

Implication: Predictability in industrial relations and facilitation of dispute-free workplaces.

3. Inclusive Social Protection – Code on Social Security, 2020

- Integration of EPF, ESI, maternity benefits, gratuity, gig worker schemes, and more.
- Gig and platform workers included for the first time under social security benefits.
- ESI coverage proposed for all districts and hazardous occupations even with a single worker.
- Creation of a Social Security Fund for unorganised workers.

Implication: A major step toward universal social protection and labour formalisation.

4. Safer & Healthier Workplaces – OSH Code, 2020

- Consolidates 13 laws governing occupational safety and contractor management.
- Mandatory appointment letters, annual health check-ups, and formalised working conditions.
- Empowerment of women workers: permission for night shifts with consent and safety measures.
- Strong protections for inter-state migrant workers including self-registration and travel allowances.

Implication: A safer, equitable, and more accountable working environment across industries.

CROSS-CUTTING REFORMS ACROSS ALL CODES:

A. Simplified Compliance

- Single registration, single licence, and single return for all Codes.
- Reduced multiplicity of forms, inspections, and authorities.
- Web-based, risk-based inspection systems enhancing transparency.

B. Technology-Driven Governance

- Digitisation of records, registrations, and regulatory filings.
- Aadhaar-linked Universal Account Number (UAN) for portability of benefits.

C. Unified Definitions & Reduced Litigation

- Standard definitions of “employee,” “wages,” and “employer” across Codes reduce ambiguities and compliance disputes.

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IMPLICATIONS OF THE NEW LABOUR CODES:

1. For Workers

- Universal wage protection & social security.
- Enhanced safety and welfare measures.
- Gender-neutral employment and remuneration.
- Faster resolution of disputes.
- Reduced exploitation and improved job dignity.

2. For Employers / Industry

- Simplified compliance structure.
- Greater hiring / retrenchment flexibility.
- Improved industrial stability.
- Reduced multiplicity of authorities and registers.
- Facilitates growth, investment, and expansion.

3. For the Economy

- Higher labour productivity.
- Increased formalisation of workforce.
- Boost to MSME sector due to simplified norms.
- Supports "Make in India" and economic competitiveness.
- Promotes a modern, predictable labour market ecosystem.

CONCLUSION:

The New Labour Codes represent the biggest labour reform in independent India, balancing worker welfare with business efficiency. They modernise older laws, remove outdated compliances, and introduce tech-driven, transparent mechanisms. Once fully enforced by all States, the Codes are expected to transform India into a more labour-friendly, competitive, and business-ready economy, fostering inclusive growth and social protection.



RECENT DECISIONS IN DIRECT TAXES

December 2025

by



CA. Muthu Abirami T V

Source: taxmann.com and taxmanagementindia.com

Sneh Gupta vs. ACIT [2025] 178 taxmann.com 578 (Delhi - Trib.)

Held: Where assessee sold shares and deposited sale proceeds in capital gain account and utilized same in purchase of land and building which was in uninhabitable condition and thereafter he demolished same and obtained permission for construction of new residential property and completed construction, merely because construction of new property was completed beyond statutory period of three years due to acquiring of relevant permission, assessee could not be denied benefits of section 54F. Section 54F of the Income-tax Act, 1961

- Capital gains - Exemption of, in case of investment in residential house (Constructions) - Assessment year 2016-17 - Assessee sold shares and invested sale proceeds in purchase of land and building which was in uninhabitable condition - Assessee obtained permission for construction of new residential property on said land and building and completed construction - Assessing Officer denied benefit of section 54F to assessee on plea that assessee had not completed construction of house within three years as per section 54F - It was noted that assessee had set aside amount claimed under section 54F in a separate bank account under capital gain scheme with sole purpose to construct property and abovesaid amount was utilized by assessee within a period of three years for purchase of old house and land and also utilised rest of amount for purpose of construction of property before expiry of three years from date of sale of residential asset - Whether merely because approval and construction of property was completed beyond period of three years, assessee could not be denied benefit of exemption under section 54F - Held, yes [Para 17] [In favour of assessee]

Held: Where assessee's case was selected for limited scrutiny under CASS for reason of large investment in property, Assessing Officer could not have proceeded to verify exemptions claimed by assessee without taking permission to convert limited scrutiny into complete scrutiny.

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Section 143 of the Income-tax Act, 1961 - Assessment - General (Scrutiny assessment) - Assessment year 2016-17 - Assessee's case was selected for limited scrutiny under CASS for reason of large investment in property as compared to total income including exempt income and agricultural income - During assessment, Assessing Officer (AO) verified investments made by assessee in property and did not find discrepancies as per mandate of CASS - However, he proceeded to verify exemptions claimed by assessee in assessment year 2013-14 which was not mandate for Assessing Officer in current assessment year - Whether since Assessing Officer had expanded mandate of verifications, he should have converted limited scrutiny into complete scrutiny - Held, yes - Whether since Assessing Officer had not taken permission or taken any action to convert limited scrutiny into complete scrutiny, this itself was in violation of jurisdiction of Assessing Officer - Held, yes [Para 8] [In favour of assessee]

Shirguppi Sugar Works Ltd. vs. ITO [2025] 179 taxmann.com 32 (Panaji - Trib.)

Held: Where assessee-company earned interest on fixed deposits made to obtain bank guarantees required for import of capital goods under EPCG Scheme during pre-production period, since fixed deposits had a direct nexus with purchase of capital goods, interest income would become incidental to capital expenditure and thus, assessee was eligible to claim set off of interest income against pre-operative expenses.

Section 28(i), read with sections 37(1) and 56, of the Income-tax Act, 1961 - Business income - Chargeable as (Interest on FDRs) - Assessment year 2012-13 - Assessee-company was engaged in business of sugar mill - During pre-production period, assessee earned interest on fixed deposits maintained with banks for issuance of bank guarantees to Customs Department for import of capital goods under EPCG Scheme - Assessee had filed nil return and claimed set off of interest earned against pre-operative expenses - Assessing Officer denied assessee's claim on ground that interest income earned during pre-production period should be taxed under income from other sources - Whether since there existed a linkage between fixed deposits with banks and purchase of capital goods, interest income on fixed deposits would become incidental to purchase of capital goods under EPCG Scheme for project - Held, yes - Whether thus, assessee was eligible to claim set off of interest income on fixed deposits maintained with banks against pre-operative expenses/project cost - Held, yes [Para 5] [In favour of assessee]

Asst. Commissioner of Income-tax vs. State [2025] 178 taxmann.com 607 (Delhi)

Held: Where assessee and its partners had floated a scheme promising high returns to investors and had fraudulently obtained money from investors which was seized during search, since a complaint under section 45 of PMLA had been filed against assessee and its partners, said money seized from assessee and its directors which had been put in FDRs could not be held as income of accused and, thus, Income-tax Department could not appropriate same for tax liability by holding it as income of company/directors till conclusion of trial under PMLA.

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Section 226, read with sections 132 and 281B, of the Income-tax Act, 1961 and sections 5 and 71 of the Prevention of Money Laundering Act, 2002 - Collection and recovery of tax - Other modes of recovery - Assessment years 2010-11 and 2011-12 - Search and seizure operation under section 132 was carried out at premises of assessee and its partners in which a huge amount of cash was seized - Subsequently, assessee and its partners were also booked under section 45 of PMLA for cheating investors by floating a Ponzi scheme - Amounts seized in search were converted into FDRs - Income-tax Department filed an application under section 226(4) for release of FDRs towards tax liability of assessee and its partners - Same was rejected by Special Judge - It was evident that this was money which had been fraudulently obtained by accused persons by floating fraudulent schemes under name of various companies - Whether, therefore, till such time trial was concluded under PMLA, income/money recovered from various bank accounts which had been put in FDRs could not be held as income of accused and, thus, Income-tax Department could not appropriate same for tax liability by holding it as income of company/directors - Held, yes - Whether, further, PMLA would prevail over IT Act as PMLA had been enacted subsequent to IT Act - Held, yes - Whether, therefore, to treat such amounts as taxable income recoverable by IT Department, prior to conclusion of PMLA trial or adjudication, would be erroneous - Held, yes - Whether, accordingly, application of IT Department for release of FDR amounts to be appropriated towards alleged tax liability of assessee, had been rightly rejected and could not be entertained until conclusion of trial in criminal case - Held, yes [Paras 68, 78 and 83] [In favour of assessee]

Principal Commissioner of Income-tax vs. Improve Financial Consultants (P.) Ltd. [2025] 178 taxmann.com 736 (Calcutta)

Held: Where additions for unexplained investments and loans were made by treating year-end equity investments and loans as unexplained but Tribunal, after verifying audited financials and public documents, found no fresh investments during year and source of loans was explained from share sale proceeds and taxable unsecured loans, deletion of additions was justified and no substantial question of law arose.

Section 69A of the Income-tax Act, 1961 - Unexplained moneys (Unexplained investments/loans) - Assessee faced additions on account of unexplained investments of about Rs. 5.60 crore and unexplained loans and advances of about Rs. 5.76 crore - Assessing Officer treated total equity investments reflected at end of year as unexplained and also treated figure of loans and advances outstanding at end of year as unexplained - Commissioner (Appeals) rejected explanations offered by assessee and sustained additions - Tribunal deleted additions after examining audited financial statements, balance sheet schedules, and documents available in public domain - Tribunal noted that no fresh investment was made during year and source of funds for loans and advances was explained as partly from sale of equity shares and partly from fresh unsecured loans received from private limited companies assessed to tax and registered with Ministry of Corporate Affairs - Whether since decision of Tribunal was supported by documents produced before it, no substantial questions of law arose for consideration - Held, yes [Paras 6, 7 and 8] [In favour of assessee]

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Principal Commissioner of Income-tax vs. Colo Colour (P.) Ltd. [2025] 178 taxmann.com 458 (Bombay)

Held: Where Assessing Officer made additions on alleged bogus purchases merely on estimate basis and by relying upon Sales Tax Department information not furnished to assessee, levy of penalty under section 271(1)(c) was not sustainable.

Section 271(1)(c) read with section 69 of the Income-tax Act, 1961 - Penalty - For concealment of income (Bogus purchases) - Assessment year 2011-12 - Assessee operated a photo studio and traded in photographic material - Assessing Officer reopened case and questioned certain purchases, alleging them to be non-genuine based on information from Sales Tax Department - Assessee had submitted invoices, delivery challans, bank statements, and stock registers to substantiate purchases - However, Assessing Officer rejected books of account under section 145(3) and estimated profit on such purchases at 12.5%, with an additional 1% as alleged commission, and imposed penalty under section 271(1)(c) - It was noted that bills/invoices were treated as bogus purely on information from Sales Tax Department, which was not furnished to assessee, and there was no independent application of mind by Assessing Officer - Whether penalty cannot be imposed under section 271(1)(c), when addition is sustained purely on estimate basis or on a pure guess work - Held, yes - Whether since in instant case for purpose of assessment proceedings, relevant materials were accepted, to be not amounting to concealment of particulars of income or furnishing of inaccurate particulars of income, in such circumstances, under garb of penalty proceedings, there ought not to be an occasion that such material again be labelled as amounting to concealment of income or furnishing of inaccurate particulars of income - Held, yes - Whether hence in absence of such clear position of a concealment of particulars of income or furnishing of inaccurate particulars of income, penalty levied upon assessee was to be deleted - Held, yes [Paras 18, 19, 20 and 21] [In favour of assessee]



RECENT JUDGEMENTS ON DIRECT TAXES

December 2025

by



CA. Arumugaraj P

Section 68 Cannot Apply to Household Support from Husband: ITAT Hyderabad

1. Deepali Kapoor Vs ITO (ITAT Hyderabad) Section 68 Cannot Apply to Household Support from Husband; Second Credit Explanation Contradictory—₹8.49 Lakh Deleted, ₹17.80 Lakh Remanded The Assessee filed return for AY 2022-23 declaring NIL income. During scrutiny, AO noticed ₹2.80 crore credited in her capital account. The Assessee stated it was received from her husband. The ₹8.49 lakh credited for household expenditure from husband was deleted as non-taxable. The unexplained ₹17.80 lakh in the capital account is sent back to the AO for proper verification and opportunity to furnish evidence. The post Section 68 Cannot Apply to Household Support from Husband: ITAT Hyderabad.

2. Reassessment Orders Quashed for Notices Issued to Deceased Assessee The Tribunal held that notices and assessment orders in the name of a deceased person have no legal standing, confirming that reassessment requires a living assessee or representative. The post Reassessment Orders Quashed for Notices Issued.

Lalita Agarwal Vs ACIT (ITAT Delhi) The appeals concern Assessment Years (AYs) 2011-12 to 2014-15, filed by the legal heir of the deceased assessee challenging reassessment notices and orders issued under Section 148 and 147 of the Income Tax Act, 1961. The deceased, Shri Subhash Chandra Agarwal (PAN: AANPA3967D), passed away on 4.12.2014. Despite the death, the ITO (Investigation Wing)-7 issued queries and Section 148 notices in the name and PAN of the deceased for multiple AYs. Assessment orders were subsequently framed in the PAN of the deceased for AYs 2009-10, 2010-11, 2011-12.

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3. Technical Error in Schedule BP Cannot Justify Retaining 143(1) Adjustment 143(3) After Scrutiny Tribunal held that an income tax demand raised due to a technical misentry in return must be rectified. Assessing officer erred by retaining 143(1) demand after scrutiny under 143(3). The post Technical Error in Schedule BP Cannot Justify Retaining 143(1) Adjustment 143(3) After Scrutiny.

Standard Castings Private Limited Vs ITO (ITAT Delhi) Section 143(1) Intimation Merges into 143(3) Scrutiny—AO Must Rectify Apparent Punching Error & Cannot Retain CPC Adjustment; CIT(A)'s 'Not Maintainable' View Reversed The Assessee filed return for AY 2018-19 declaring NIL income under normal provisions and ₹5.57 crore as book profit u/s 115JB. CPC processed the return u/s 143(1)

4. AIR Additions Without Disclosure Invalid; Assessment Remanded for Fresh Hearing ITAT Mumbai quashed ex-partes assessment based solely on AIR entries, directing AO to provide full details so assessee can respond and defend his position. The post AIR Additions Without Disclosure Invalid; Assessment Remanded for Fresh Hearing.

Bobby Yogendra Sharma Vs ACIT/ITO (ITAT Mumbai) AIR-Based Additions Made Without Sharing Underlying Data—Ex-Parte 147/144 Set Aside; AO Directed to Provide Full AIR Particulars & Re-do Assessment The Assessee challenged the NFAC order dated 04.08.2023 arising from an ex-partes reassessment u/s 147 r.w.s. 144, wherein the AO treated ₹12.08 crore

5. Section 14A Disallowance Deleted for Mechanical Application & Lack of AO Satisfaction the ITAT ruled that an automatic ₹56 lakh 14A disallowance was invalid as the AO failed to record specific satisfaction regarding the assessee's claim. The Tribunal emphasized that generic reasoning cannot replace case-specific analysis. The post Section 14A Disallowance Deleted for Mechanical Application & Lack of AO Satisfaction

Capricon Realty Private Limited Vs ITO (ITAT Mumbai) Mechanical 14A Disallowance Without Case-Specific Satisfaction—AO Ignored Assessee's Detailed Explanation & Past ITAT Orders; Entire ₹56.14 Lakh Deleted – Assessee earned ₹57,09,646 dividend income and made a suo-moto disallowance of ₹95,584 u/s 14A (₹5,584 direct + ₹90,000 estimated indirect). AO, without rejecting books or pointing out any defect in the working,

6. Set-Off of LTCL & STCL Against LTCG Cannot Be Denied Merely Because Tax Rates Differ ITAT Delhi permits set-off of brought forward long-term and current year short-term capital losses against long-term capital gains, overruling CPC and CIT(A). The post Set-Off of LTCL & STCL Against LTCG Cannot Be Denied Merely Because Tax Rates Differ

Set-Off of LTCL & STCL Against LTCG Cannot Be Denied Merely Because Tax Rates Differ—CPC & CIT(A) Misread Section 70; Entire Adjustment u/s 143(1) Deleted The Assessee filed return declaring ₹1,04,31,185, after setting off: B/f LTCL: ₹7,09,283,

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7. ITAT Mumbai condones 4,855-Day Delay Due to Non-Service of Appellate Order Tribunal highlighted that short-term and long-term capital gains from share sales, under sections 111A and 10(38), were properly taxed, reflecting assessee's investment intent. The post ITAT Mumbai condones 4,855-Day Delay Due to Non-Service of Appellate Order.

Oceanic Marketing Agencies India Limited Vs DCIT (OSD) (ITAT Mumbai) 13-Year Delay Condoned—CIT(A) Order Never Served; Dept Itself Gave Effect to AY 2007-08 ITAT Order After 11 Years; On Merits, Gains Held Capital Gains & 14A Disallowance Deleted Condonation of Delay (4855 days) Tribunal found the Assessee's explanation fully supported by documentary evidence. As seen from emails dated 06.11.2012 & 02.01.2025, the Assessee believed the AY 2008-09 appeal before CIT(A) was still pending.

8. Salary for Managing Multiple Bank A/cs Allowable u/s 57: ITAT Kolkata ITAT held that managing multiple bank accounts justified salary expenses claimed under Section 57(iii). The ruling restores full deduction and reinforces that recurring administrative costs can be allowable against interest income. The post Salary for Managing Multiple Bank A/cs Allowable u/s 57: ITAT Kolkata

Dakshin Kalikata Sansad Vs ITO (ITAT Kolkata) Salary for Managing Multiple Bank A/cs Allowable u/s 57—CIT(A)'s Arbitrary Restriction Removed; Entire ₹7.50 Lakh Allowed The Assessee, a historic society registered in 1949 & holding 12A registration since 2003, filed return declaring income of ₹38,410 for AY 2018-19. The case was selected for scrutiny. The Assessee earned interest income of ₹41,48

9. Penalty u/s 271(1)(c) Cannot Survive When Quantum Itself Is Remanded ITAT held that penalty under Section 271(1)(c) cannot survive when the underlying addition is remanded, directing the AO to re-decide the penalty after the quantum order is finalized. The post Penalty u/s 271(1)(c) Cannot Survive When Quantum Itself Is Remanded.

Sachin Mahasukhlal Shah Vs DCIT (ITAT Ahmedabad) Penalty u/s 271(1)(c) Cannot Survive When Quantum Itself Is Remanded—Penalty Proceedings Restored to AO for Fresh Decision Both appeals relate to penalty imposed u/s 271(1)(c) arising from the same quantum addition in AY 2015-16. In each case, the assessee had claimed deduction of ₹38,15,160 as interest expenditure, which the AO disallowed for lack of nexus with plot-rent income.

10. ITAT Clarifies Pre-2023 Loan Rules, u/s 68 & 40(a)(ia), Major Additions Deleted Tribunal confirmed that powers to question "source of source" under section 68 exist only from 01-04-2023. Additions on unsecured loans and student deposits were deleted, while TDS disallowance was remanded. The post ITAT Clarifies Pre-2023 Loan Rules, u/s 68 & 40(a)(ia), Major Additions Deleted

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Anbu Educational Trust Vs ITO (ITAT Chennai) Source-of-Source Cannot Be Examined Prior to 01-04-2023—Unsecured Loans & Student Caution Deposits Held Genuine; Additions Deleted, Except TDS Issue Remanded.

