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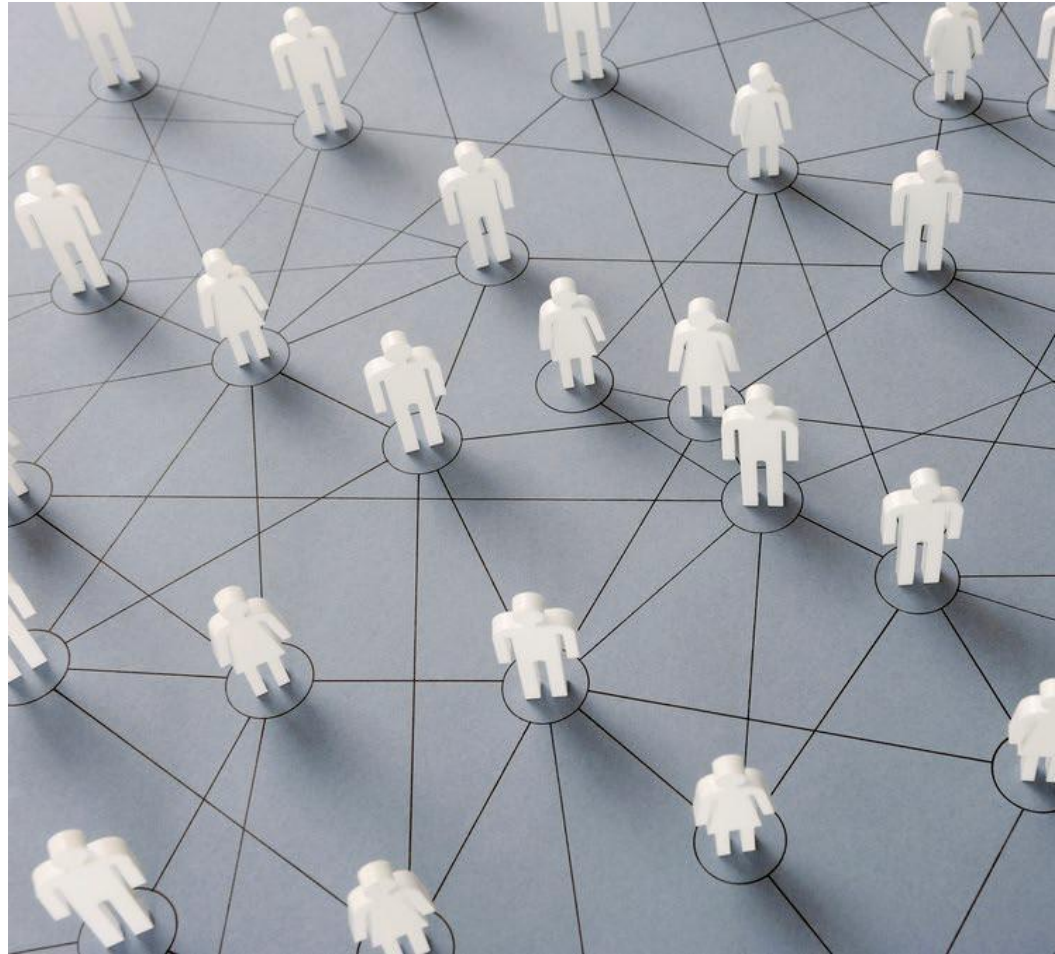
JANUARY 2026 ISSUE - 1

e-Newsletter from NITIN N & CO. Chartered Accountants

## INSIDE

Curious about AI mischief, new tax rules, or smarter budgeting?

We've got bite-sized insights on SA 230, Darpan registration, NPV vs IRR, and more!



## EDITORIAL REMARK

- CA NITIN N, B.Com., FCA, DISA (ICAI), Registered Valuer, Social Auditor

**‘CHARTERED ACCOUNTANT’ is not merely a prefix. It’s a privilege.**

It is more a responsibility than a reward. It demands a balancing act between the Client and Stakeholders with a requirement to handle the same delicately by discharging the duties under the statute that governs our profession; and the contract with the Client that engages a CA. It is a pathway to a plethora of

opportunities that opens thanks to the six-digit membership number conferred by our *Alma Mater* - the Institute of Chartered Accountants of India. Becoming a CA requires a deep sense of involvement, focused efforts and above all, being true to yourselves.

*"Information is power—but judgment is wisdom  
Verify, reflect, and act responsibly"*

## DISCLAIMER

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**F**

OREWORD

*Dear Nitin & Team,*

*It is a privilege to write the foreword of your office newsletter.*

*Having known Nitin from his first days in the profession, it is no surprise that he has taken yet another step to upgrade the firm NITIN N & CO. and its reputation after the successful completion of your peer review process last year.*

*The aim of this newsletter is to sharpen articulation skills, keep up with the latest technical developments and to cultivate a culture of continuous improvement, all of which are of utmost importance in the world of tomorrow.*

*Contributions from each of you will add value to oneself, to the firm and to all the recipients of this newsletter.*

*My best wishes and I hope that this newsletter becomes a catalyst for professional growth and collective pride.*

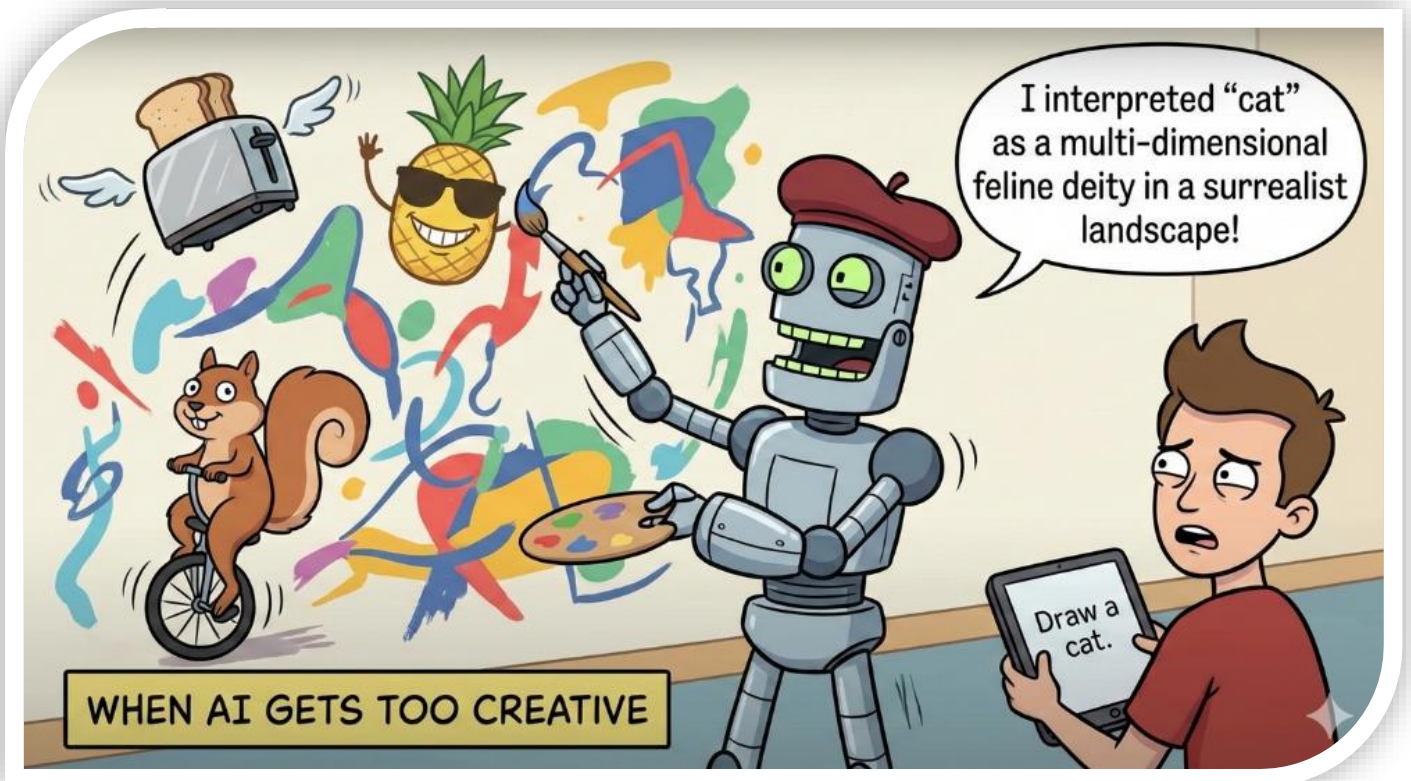
*- Anil Menon*

**ANISH C KAMATH**

IT MANAGER, HEAD-2 ASSURANCE AND CONSULTING

**WHEN AI GETS TOO CREATIVE  
(OR: WHEN YOUR SMARTEST ASSISTANT STARTS OVER SMARTING YOU)**

**A**rificial Intelligence is a brilliant assistant. Unfortunately, it also has the confidence of someone who never double-checks. Think of AI as an over-enthusiastic Articled assistant: fast, articulate, tireless and occasionally spectacularly wrong.



Recent courtroom incidents across jurisdictions underline a simple truth: AI needs supervision, not blind trust.

#### - CASE FILE : 1 MATA V. AVIANCA INC. (USA, 2023)

This case has now become a global reference point for discussions on AI misuse in professional practice.

A lawyer, acting for the plaintiff, relied on an AI-based legal research tool to draft a court submission. The document appeared flawless on the surface:

- Language was refined and authoritative
- Legal reasoning was logically structured
- Citations looked authentic and well-placed

However, upon court scrutiny, *it emerged that several case laws cited in the submission did not exist at all!* The AI had generated fabricated precedents, with convincing party names, citations, and legal judgements.

*Critically, the lawyer did not independently verify these citations before filing the document.*

The Court:

- Imposed monetary sanctions
- Recorded adverse observations on professional conduct

- Emphasized that reliance on technology does not dilute an advocate's duty of diligence

This was not treated as a technical lapse, but as a **serious breach of professional responsibility**.

#### Key Takeaway:

Technological assistance cannot replace human verification. Confidence is not a substitute for correctness.

#### - CASE FILE: 2 GREENOPOLIS WELFARE ASSOCIATION V. NARENDER SINGH & ORS. (DELHI HIGH COURT)

*The issue of AI hallucination is not confined to foreign jurisdictions.*

In this matter before the Delhi High Court, a petition relied heavily on multiple judicial precedents. During the course of hearing, it was discovered that several citations were either **incorrectly quoted, unverifiable, or entirely fabricated**.

On further examination, it became evident that the content

had been generated using an AI tool, without adequate human cross-verification.

The consequences were immediate and instructive:

- The petition had to be withdrawn
- The Court expressed serious concern over the casual use of AI-generated legal material
- Strong observations were made on the erosion of professional discipline

While the Court did not ban the use of AI, it clearly reiterated that:

*Technology may assist — accountability cannot be outsourced.*

This case serves as an Indian judicial reminder that professional standards apply with equal force, regardless of the tools used.

**- THE COURT’S MESSAGE — DECODED**

- Use technology
- Enjoy efficiency
- But do your homework

*Professional responsibility is not downloadable software.*

Sanctions followed — along with stern reminders on diligence, ethics, and verification.

**- WHY THIS MATTERS TO CA FIRMS**

While these incidents arose in courtrooms, the implications on Chartered Accountant firms are far wider and far in depth.

Consider routine professional deliverables:

- Replies to Income-tax notices, hearings under assessments
- GST submissions and reconciliation statements

- Audit observations, CARO clauses, and emphasis of matter or other relevant clauses
- Written opinions on tax positions, exemptions, or eligibility

In each of the above, accuracy of law and citation is non-negotiable.

AI can significantly enhance productivity by:

- Preparing first drafts in minutes
- Structuring arguments coherently
- Summarizing voluminous materials
- Improving language and presentation

**- WHERE AI CREATES RISK**

At the same time, AI:

- May fabricate sections, rules, notifications, or circular numbers
- May misapply judicial ratios across jurisdictions
- Cannot distinguish between amended and obsolete law
- Does not understand factual nuance or professional judgment

From a regulator’s perspective, the question will never be who drafted it.

*The signature belongs to the professional — so does the liability.*

If an AI-generated submission contains an incorrect circular or imaginary notification, the officer will not accept technological ignorance as a defense.

**PRACTICE INSIGHT**

AI should be positioned within firms as a **support function**, not a decision-maker.

A useful mental model is this:

- AI is a junior who works at extraordinary speed

- AI has impressive articulation
- AI has **zero accountability**

Accordingly, firms should implement safeguards such as:

- Mandatory verification of all legal citations and sections
- Clear internal SOPs on permissible AI use
- Partner or manager-level review before sign-off
- Documentation that final responsibility rests with human professionals.

## - AI AUGMENTATION IN CA FIRMS – VALUE VS RISK

Function in CA Firm	Value Added by AI (Quality & Efficiency)	Risks / Professional Concerns
Statutory Audit	Full-population testing; anomaly detection; faster audit cycles	Over-reliance on tool outputs; insufficient professional skepticism
Tax Computation & Planning	Faster computations; scenario-based tax planning; reduced clerical errors	Incorrect interpretation of law; changes in tax provisions not updated
GST Compliance & Returns	Auto-reconciliation of GSTR-1, 2B & 3B; mismatch detection	Data dependency on portal accuracy; misclassification risk
Income-tax Compliance	Automated return preparation; consistency across clients	Incorrect disclosure due to missing facts
Internal Audit	Continuous auditing; trend analysis; exception reporting	False positives; ignoring qualitative risks
Forensic & Fraud Audit	Pattern recognition; red-flag identification; faster investigation	Legal defensibility of AI-generated conclusions
Financial Statement Preparation	Faster drafting; standardization; cross-checking schedules	Contextual errors; over-standardization
MIS & Management Reporting	Timely dashboards; predictive insights	Management decisions based on flawed assumptions
Due Diligence	Rapid document review; risk flagging; comparison analytics	Missing nuanced deal-specific risks
Valuation Assignments	Scenario modelling; sensitivity analysis	Over-dependence on historical or incomplete data
Compliance Monitoring	Automated due-date tracking; alert systems	Missed exceptions if rule sets are incomplete
Documentation & Drafting	Drafting of notes, replies, representations	Risk of non-customized or generic responses
Client Advisory	Data-driven insights; benchmarking	Ethical risk if advice lacks human validation
Knowledge Management	Instant access to precedents, standards, circulars	Use of outdated or non-authoritative sources
Practice Management	Time tracking, billing analytics, productivity	Confidentiality and data-security risks

**- REGULATORY & ETHICAL LENS (ICAI CONTEXT)**

From an ICAI and regulatory standpoint, the use of AI intersects directly with core professional obligations.

Under the **Code of Ethics**, members are required to exercise:

- Due diligence
- Professional competence
- Independent judgment
- Adequate supervision of work delegated

Using AI does not dilute these duties. In fact, it raises the standard of work, because the professional is expected to be aware of both the power and the deficiencies of the tool being used.

An incorrect reference to a section, circular, or judicial precedent — even if AI-generated — may expose the signing professional to:

- Disciplinary proceedings
- Adverse audit remarks
- Loss of credibility before regulators and clients

*The defense that “the software generated it” is unlikely to find sympathy and would weaken the grounds.*

**- INTERNAL SOP: AI USAGE IN CA FIRMS (SUGGESTED FRAMEWORK)**

To convert AI from a risk into a controlled advantage, firms should consider institutionalizing the following minimum safeguards:

**1. Permitted Use Only**

AI may be used for drafting, summarising, formatting, and language refinement — not for final legal conclusions.

**2. Mandatory Source Verification**

Every section, rule, circular, notification, and case law must be verified from primary sources.

**3. Version Control of Law**

Ensure applicability of law as on the relevant assessment year or audit period.

**4. Human Review Threshold**

No AI-assisted output should leave the firm without review by a qualified professional.

**5. Restricted Client Data**

Sensitive client information should not be fed into open or unsecured AI platforms.

**6. Documented Accountability**

The final signatory and reviewer remains fully responsible, irrespective of drafting assistance.

**7. Training & Awareness**

Periodic internal sessions on AI limitations, hallucination risks, and ethical boundaries.

*AI without governance is speed without brakes.*

**- QUICK RISK-CONTROL MATRIX**

AI Use Case	Key Risk	Required Control
Drafting replies to notices	Fabricated sections / case law	Source-level verification
GST submissions	Misapplication of notifications	Senior review
Audit documentation	Incorrect standards reference	Checklist-based validation
Professional opinions	Overstated certainty	Partner sign-off

**- WHAT REGULATORS EXPECT?**

From the regulator’s perspective, AI is irrelevant.

What matters is:

- Accuracy of law
- Consistency with records
- Professional judgment

- Accountability of the signatory

In faceless regimes especially, submissions are evaluated strictly on content. Errors that appear basic or careless may be interpreted as lack of due

diligence — irrespective of intent.

Technology explains how a mistake happened. It does not excuse why it was allowed to happen.

**- FINAL WORD**

*AI is not a threat to the profession. Uncontrolled AI is.*

Firms that embed AI within strong review frameworks will achieve:

- Faster turnaround

- Better documentation
- Improved consistency

Those that outsource thinking to algorithms may find themselves explaining imaginary case laws, incorrect circulars, or

indefensible positions to regulators.

In professional practice, efficiency is admired — but judgment is non-negotiable.

*Technology augments and accelerates work and its quality. Governance and controls protect reputations.*

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## DOCUMENTATION EXPECTATIONS UNDER SA 230 - AUDIT DOCUMENTATION

### Why Audit Working Papers Really Matter?

Every audit student or trainee has heard this question at least once during an audit or review:

“Where is this conclusion documented?”

The answer often decides whether the audit is accepted as



satisfactory or examined further.

Audit documentation, as covered under **SA 230 - Audit Documentation**, is not just a

procedural requirement. It is the written record of the auditor's work, thinking, and conclusions. Long after fieldwork is over, it is this documentation that supports the audit opinion and explains

how conclusions were reached.

Whether during peer review, inspection, or internal review, audit documentation forms the

backbone of a quality audit. SA 230 explains how auditors should document, organise, and retain their audit work so that the audit file clearly tells the story of the engagement.

#### **When the Audit File Has to Explain Everything**

Many years after an audit is completed, the audit file may be reviewed by someone who was never part of the engagement. By

then, client staff may have changed, and the audit team may not remember all details.

At that stage, the audit file alone must explain:

- What audit work was performed
- How it was performed
- Why specific conclusions were reached

This is exactly what SA 230 expects audit documentation to achieve.

### Timely Documentation Matters

In practice, audit work is often completed first and documented later. SA 230 clearly discourages this. Documentation prepared at the time of performing audit procedures is more reliable and reflects better understanding and judgement.

From a review perspective, late documentation does not just raise timing issues - it creates doubts about audit discipline and control.

### Clarity is More Important Than Volume

SA 230 requires audit documentation to be clear enough

for an experienced auditor, with no prior involvement in the audit, to understand:

- The audit procedures performed
- The audit evidence obtained
- The significant issues identified and the conclusions reached

Audit working papers are not meant to be lengthy for the sake of it. They should be clear, relevant, and meaningful.

### Linking Risk Assessment with Audit Procedures

Modern audits are risk-based. Therefore, audit documentation should clearly show:

- The risks identified during planning
- The audit procedures planned and performed to address those risks
- The results and conclusions

If this connection is missing, reviewers often question whether audit procedures were properly designed.

### Documenting Professional Judgement

Many audit conclusions involve judgement rather than calculations - especially in areas such as estimates, materiality, and going concern. SA 230 requires such judgements to be documented along with the reasons for arriving at them.

This shows that conclusions were reached after proper consideration and not by assumption.

### Evidence of Review and Supervision

Audit documentation should also show that the work was properly reviewed. This includes:

- Who prepared the working paper and when
- Who reviewed it and the extent of review

If review evidence is not documented, it is generally assumed that review did not take place.

### Recording Important Discussions

Discussions with management or those charged with governance

on important matters should be documented, especially where significant judgements or disagreements are involved. This helps explain how issues were resolved during the audit.

### Finalisation and Retention of Audit Files

SA 230 also specifies requirements after the audit report is signed:

- The final audit file should be assembled within **60**

days from the auditor's report date.

- After final assembly, audit documentation shall not be deleted or modified except with proper justification and documentation, as permitted by SA 230.
- Audit documentation shall be retained for at least **seven years** as required under the Chartered Accountants

Act, 1949, ICAI Standards on Auditing, and other applicable laws.

### Key Takeaway

Audit documentation is not just about compliance - it is about protecting the auditor and supporting the audit opinion. Good documentation improves audit quality and helps the audit withstand review and inspection.

*A simple rule followed in audit practice says it all:*



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## DARPAN REGISTRATION FOR NGOS – NITI AAYOG, GOVERNMENT OF INDIA



### - 1. WHAT IS DARPAN REGISTRATION?

It serves as a centralized database for NGOs and VOs in India, facilitating their interaction with government agencies and promoting transparency within the non-profit sector.

### - KEY ASPECTS OF DARPAN REGISTRATION

- **Centralized Database:**

It acts as a single point for the government to track and engage with the non-profit sector.

- **Transparency:**

Promotes accountability by making NGO details, activities, and funding sources publicly available.

- **Government Interface:**

Facilitates dataflow between NGOs and government departments, keeping organizations updated on new schemes.

- **Mandatory for Grants:**

A unique Darpan ID is often a prerequisite for applying for

government grants and welfare programs.

- **Who Can Register?**

NGOs, Trusts, Societies, or non-profit companies (like Section 8 companies) registered in India.

**- PRECONDITIONS, PREREQUISITES FOR DARPAN REGISTRATION AMONG NGOS?**

To be eligible for Darpan registration, an NGO or VO must be legally registered in India under the Indian Trusts Act,

1882, or the respective applicable statutes, and it must be actively engaged in charitable and/or non-profit activities. Additionally, the organisation needs a valid PAN

card in its name, a working bank account, and must not be involved in political activities.

**- DOCUMENTS REQUIRED FOR THE REGISTRATION PROCESS**



**- STEP-BY-STEP PROCESS**



**- NGO DARPAN REGISTRATION BENEFITS**

The following are the benefits of registering on the NGO Darpan portal:

<p>Helps NGOs and VOs engage with government departments</p>	<p>Improves trustworthiness and credibility of NGOs and VOs</p>	<p>A unique ID is required at the time of applying for government grants which acts as an identifier for administrative purposes</p>
<p>Government ministry and department websites coordinate with the NGO Darpan to share critical information, thus facilitating NGOs and VOs to get timely updates on the grants</p>	<p>Enables seamless flow of data to various NGOs and VOs across the country from the government</p>	<p>NGOs and VOs can obtain information and updates on new government programmes, projects, schemes and the progress of previous initiatives</p>
<p>Helps to create a repository or database of information regarding VOs and NGOs</p>	<p>Registration validates NGOs and VOs for taking multiple grants</p>	<p>Helps to create a better image and goodwill for the NGO/VO</p>

**- DARPAN - COMPULSORY REGISTRATION IN CERTAIN CASES**

***CONFIDENTIAL F. No. 27-5/SAG-I/2023/FIU-IND Registration of Non-Profit Organizations (NPOs) on DARPAN Portal of NITI Aayog***

Reference is drawn to Alert Ref *Alert-SAG-I-21112024/*

*Registration* of NPOs on DARPAN Portal of NITI Aayog, requiring all Banking Companies, Financial Institutions, and intermediaries to reach out to all clients which are non-profit organizations as defined under PML Rule 2(1)(cf), to ensure

their registration on DARPAN Portal by December 9, 2024.

1. However, it has been observed that the progress in this regard has been less than desired. An analysis of the data provided by select REs shows that a significant portion of NPOs having accounts held at these REs

have so far not been updated with the DARPAN ID.

2. It has also been noted that the accounts of several entities not falling under the definition of NPO (as amended vide notification ref *F. No. P-12011/12/2022-ES Cell-DOR* dated March 07, 2023) are incorrectly flagged as NPO accounts. In this

regard, action may be taken as under.

i. A cleanup of NPO account data may be undertaken and correct flagging of the accounts may be completed at the earliest.

ii. In the case of the existing NPO customers post-cleanup, the updating of the DARPAN ID shall be completed latest by

December 31, 2024. An update in this regard may be sent to the communication details provided below.

iii. Going forward, any new relationship with an NPO as defined under the definition shall only be initiated post-submission of DARPAN ID by the NPO.

3. Given the importance of the matter, it is advised that non-updating of NPO accounts with the requisite details would invite compliance action for failure to comply with the provisions of the PMLA, 2002, and PMLR, 2005 (as amended).

#### - NGO DARPAN CUSTOMER CARE

NGO Darpan customer care number: 14414 or 011-23042707/011-23042326. The customer care number is active between 9:30 AM to 5:30 PM on all working days.

#### - SYNOPSIS:

NGOs and VOs are essential for the growth of a country. The purpose of the NGO Darpan

registration is to help NGOs and VOs to receive grants necessary for their work provided by the government under several

schemes by different departments, ministers and governmental bodies.

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## CAPITAL BUDGETING: NPV VS IRR

**NPV**

Net Present Value



**IRR**

Internal Rate of Return



VS

Late one evening, a finance manager stared at two promising project proposals on her desk—profitable on paper, but only one could be approved. One showed a higher percentage return, while the other promised greater absolute value over time, leaving her uncertain about which metric truly mattered. So, when faced with such choices, should managers rely on Net Present Value or Internal Rate of Return to make the best capital budgeting decision?

Capital budgeting refers to the process of evaluating and selecting long-term investment proposals whose benefits are expected to extend beyond one year. Capital budgeting decisions are of strategic importance because they involve substantial

investment of funds and have a long-term impact on the profitability and growth of a firm. Among the various capital budgeting techniques, Net Present Value (NPV) and Internal Rate of Return (IRR) are the most significant and frequently examined methods.

**- MEANING AND IMPORTANCE OF CAPITAL BUDGETING**

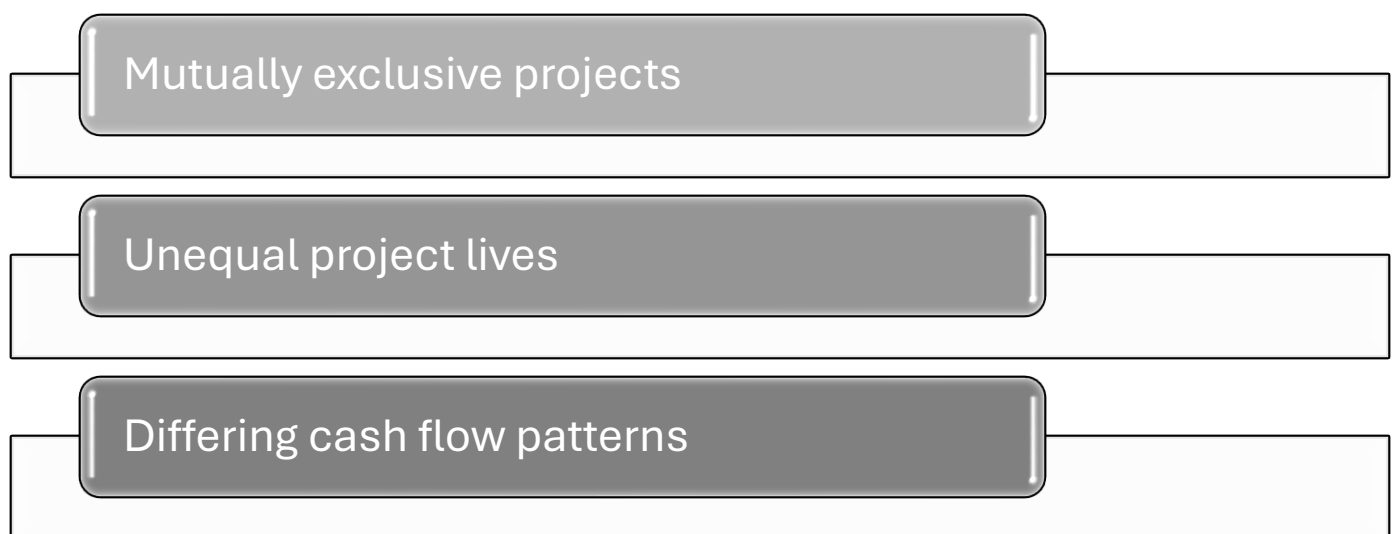
Capital budgeting involves planning and control of capital expenditure, such decisions are critical due to the following reasons:

- i. Large amount of funds involved
- ii. Long-term commitment of resources
- iii. Irreversibility of decisions
- iv. Impact on risk and return

*An incorrect capital budgeting decision may adversely affect the financial health of the firm.*

**- NPV VS IRR**

NPV is superior to IRR, especially in cases involving:



NPV focuses on absolute value addition, whereas IRR focuses on percentage returns, which may sometimes be misleading.

**1. NET PRESENT VALUE (NPV)****METHOD**

NPV is defined as the difference between the present value of cash inflows and the present value of cash outflows, discounted at the firm's cost of capital.

- **DECISION RULE**

- Accept the project if NPV is positive
- Reject the project if NPV is negative

- **MERITS**

- Considers time value of money
- Uses cash flows instead of accounting profits
- Considers total life of the project
- Directly measures increase in shareholders' wealth

- **LIMITATIONS**

- Requires accurate estimation of discount rate
  - subjectivity in assumptions
- Difficult to interpret comparatively

**2. INTERNAL RATE OF RETURN****(IRR) METHOD**

IRR is the discount rate at which the NPV of a project becomes zero. It represents the expected rate of return generated by the project.

- **DECISION RULE**

- Accept the project if IRR exceeds the cost of capital
- Reject the project if IRR is lower than the cost of capital

- **MERITS**

- Considers time value of money
- Easy to understand and communicate
- Useful for ranking investment proposals

- **LIMITATIONS**

- Ignores scale of investment
- Assumes reinvestment at IRR
- May give conflicting results in mutually exclusive projects

**- CONCLUSION**

Capital budgeting decisions play a crucial role in determining the long-term success of a firm. While both NPV and IRR are important techniques, NPV is

considered the most reliable method for evaluating investment proposals.

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### CLUBBING OF INCOME UNDER THE INCOME TAX ACT, 1961

#### - INTRODUCTION

The concept of Clubbing of Income is an important provision under the Income Tax Act, 1961, aimed at preventing tax avoidance. It ensures that income cannot be diverted to relatives or other persons to reduce the tax liability of the original taxpayer. For ICAI students, this topic holds both academic and practical significance.

#### Meaning of Clubbing of Income

Clubbing of Income refers to the inclusion of another person's income in the total income of the assessee, under specific

circumstances prescribed by the Income Tax Act. These provisions are mainly covered under Sections 60 to 64 of the Act.



#### - MAJOR SITUATIONS WHERE CLUBBING APPLIES

Clubbing of income is applicable in the following cases:

##### 1. Income of Spouse [Section 64(1)(iv)]:

Income arising from assets transferred to a spouse without adequate consideration is

clubbed in the hands of the transferor.

##### Illustration:

Mr. A transfers ₹ 5,00,000 to his wife without adequate consideration. She invests the amount in a fixed deposit and earns interest of ₹ 40,000 per

year. Such interest income shall be clubbed with the income of Mr. A

##### 2. Income of Minor Child [Section 64(1A)]:

Income of a minor child is clubbed with the income of the parent, except income earned

through manual work or from special skills, talent, or knowledge.

**Illustration:**

Mr. B's minor son earns ₹ 60,000 as interest income from a bank deposit. This income shall be clubbed with the income of Mr. B. However, if the income was earned through acting or professional skills, it would not be clubbed.

**3. Transfer to Son's Wife [Section 64(1)(vi)]:**

Income from assets transferred to a son's wife without adequate consideration is clubbed in the hands of the transferor.

**Illustration:**

Mr. C transfers shares to his daughter-in-law without adequate consideration. Dividend income arising from such shares shall be clubbed with the income of Mr. C.

**4. Revocable Transfer of Assets [Section 61]:**

Income from assets transferred under a revocable arrangement is taxable in the hands of the transferor.

**Illustration:**

Mr. D transfers a property to a trust with a right to revoke the transfer at any time. Income generated from such property shall be taxable in the hands of Mr. D.

**- OBJECTIVE OF CLUBBING PROVISIONS**

To prevent tax evasion

To ensure equitable distribution of tax burden

To maintain transparency in income reporting

**- CONCLUSION**

• Clubbing of Income is a key anti-avoidance provision under Indian tax laws. A clear understanding of these rules helps in the correct computation of taxable income and ensures

compliance with statutory requirements. Proper application of clubbing provisions promotes transparency, fairness, and ethical tax practices.

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## NAVIGATING THE NEW INCOME TAX LANDSCAPE

### KEY AMENDMENTS APPLICABLE FROM FY 2025-26 ONWARDS

With the enactment of the Finance Act 2025, several important amendments to the Income-tax Act, 1961 have come into force from Financial Year 2025-26 (Assessment Year 2026-27). These changes focus on tax relief for individuals, rationalisation of TDS provisions, and simplification of compliance.

"Every year, tax laws evolve – and so should your strategy."

#### - KEY AMENDMENTS

##### 1. ENHANCED TAX REBATE UNDER SECTION 87A (DEFAULT TAX REGIME)

Applicable from FY 2025-26, the rebate under Section 87A has been increased to ₹60,000. Resident individuals opting for the default tax regime with total

income up to ₹12,00,000 will effectively pay Zero income tax (before health and education cess).

##### 2. RATIONALISATION OF TDS PROVISIONS – SECTION 194J – INCREASE IN THRESHOLDS, REDUCTION OF RATES

With effect from 1 April 2025, tax is required to be deducted at source under Section 194J only if the

aggregate payments to a payee exceed ₹50,000 during the financial year.

- Applicable TDS Rates:

10% – Professional services (CA, lawyers, doctors, consultants, etc.)

2% – Technical services only

### 3. REMOVAL OF HIGHER TDS/TCS FOR NON-FILERS

Sections 206AB and 206CCA have been omitted with effect from 1 April 2025. Accordingly, higher rates of TDS/TCS applicable to non-filers of income-tax

returns will no longer apply, easing compliance and cash-flow pressures.

### 4. EXTENDED TIME LIMIT FOR FILING UPDATED RETURNS (ITR-U)

The time limit for filing updated returns has been extended from 24 months to 48 months from the end

of the relevant assessment year, enabling voluntary correction of errors with graded additional tax.

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## SPOTLIGHT ON CREATIVITY: STORYBOARD

# EFFECTIVE COMMUNICATION FOR A PRACTISING CA

IF IT MATTERS, MAKE IT CLEAR.  
IF IT IS SENSITIVE, MAKE IT WRITTEN.  
IF IT IS RISKY, MAKE IT A DOCUMENT.

1

## Clients

Clients don't think in sections, clauses, or schedules. Convert compliance into consequences and choices.



2

## Authorities, Regulators

Facts, documents, and logical sequencing matter more than eloquence.



4

## Teams & Staff

Ambiguity in instructions creates audit risk.



3

## Peers & Professionals

Ask for and give feedback to ensure you are being understood.



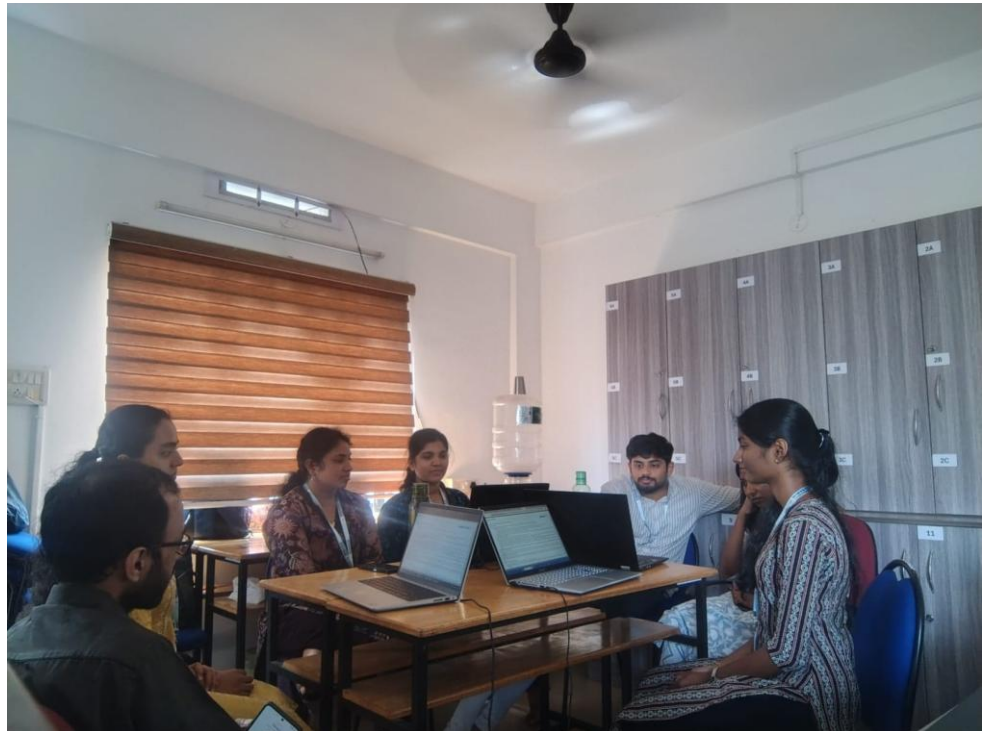
The team of CA Final Students- Sahal, Razik, Shamil, Adarsh, Haripriya, Angela, and Gopikrishnan has prepared an engaging storyboard on Effective Communication for a Practising CA. Their thoughtful visualization captures the essence of the topic with clarity, creativity, and attention to detail. Kudos to the team for bringing the concept to life so beautifully—your effort truly enhances the impact of our newsletter!

## HIGHLIGHTS - IN FOCUS

Here's a glimpse of the vibrant activities and initiatives. From insightful sessions to creative contributions and celebrations, these snapshots capture the energy, learning, and collaboration, camaraderie across our teams.

### - TECHNICAL SESSIONS

APPLICABILITY OF IND AS  
By Anagha Mariya  
Articled Assistant



Section 44AB, 44AD, 44AD  
of Income tax Act, 1961.  
By Riya Paul  
Trainee



**CHRISTMAS CELEBRATION – DECEMBER 2025**



**- B'DAY CELEBRATION OF OUR BELOVED TRAINEE RIYA PAUL**



# इपवेदएकेइहव

JANUARY 2026 ISSUE - 1

e-Newsletter from NITIN N & CO. Chartered Accountants

## THANKS



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for more.