



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)

Visakhapatnam Branch (SIRC)

e-Newsletter

JANUARY - 2025

Chairman
CA. ANIRBAN PAL

Secretary
CA. LOKESH P

Editor
CA. G. VASUDEVAMURTY



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Chairman Writes ...



Dear Esteemed Members,

As we wrap up another eventful year, I hope you all have successfully completed the GSTR filings in time. I extend my heartfelt congratulations to the 32 Central Council Members and 64 Regional Council Members who have been elected in the 26th Council and 25th Regional Council Elections respectively. Your dedication and commitment to the profession are commendable, and we look forward to your contributions in the upcoming term.

I am pleased to announce that the Branch Committee elections are scheduled to be held on 12th January 2025. The relevant information is placed on the Notice Board at the Branch, hosted on the Branch website and has been shared with you. I encourage all members to participate actively and make their voices heard in shaping the future of our branch.

The branch successfully conducted the 3rd batch of the AI Level 1 Certification Course from 16th to 18th December 2024, reflecting our commitment to staying abreast of technological advancements and enhancing the skills of our members.

We also conducted several CPE programs, including a full-day session on the Code of Ethics and GST, and another full-day program on Standards on Auditing and the Code of Ethics. These sessions were well-received and provided valuable learning opportunities for our members. I personally thank the learned speakers CA Ayush Jain, CA D. Leela Vara Prasad, CA D. Saranya & CA R K Gaur for their valuable insights on the respective topics.

The “We Care” program of ICAI was conducted to felicitate CA V S Prakasa Rao, honouring his significant contributions to the profession and the community.



A special note of thanks to our speakers and resource persons, whose insights and expertise have enriched our programs and events throughout the year. Your contributions are invaluable, and we are grateful for your continued support.

I also wish to express my gratitude to the contributors of our monthly newsletters. Your efforts in sharing knowledge and information have been instrumental in keeping our members informed and engaged.

As we look forward to the new year, let us continue to strive for excellence and uphold the values and integrity of our profession.

Wishing you all a joyous and prosperous New Year and Sankranti!

Warm regards,

CA Anirban Pal

Chairman, Visakhapatnam Branch

The Institute of Chartered Accountants of India (ICAI)

Compliance Calendar



For the month of January 2025

CA. Rithik Agrawal

SL. No.	Particulars	Compliance	Due date
1	Income Tax Act, 1961	Monthly TDS and TCS payment	7 th January 2025
		Furnishing of TCS statement for the quarter ending December 31, 2024 (Form-27EQ)	15 th January 2025
2	Goods and Service Tax Act, 2017	Furnishing of TDS statement of tax deducted for the quarter ending December 31, 2024.	31 st January 2025
		GSTR-1 (normal tax payer)	11 th January 2025
		GSTR-3B (normal tax payer)	20 th January 2025
		Form IFF (QRMP scheme)	13 th January 2025
		GSTR-6 (Input service distributor)	13 th January 2025
		GSTR-7 (Taxpayer required to deduct TDS)	10 th January 2025
		GSTR-8 (E-commerce operator)	10 th January 2025
		GSTR-3B (QRMP scheme)	22 nd January 2025
3	EPF, ESI and professional Tax	Contribution to employee's account in respect of Employee states insurance (ESI) & Employee Provident fund (EPF) contribution and filing of monthly Challan	15 th January 2025
		Professional Tax compliances for state of Andhra Pradesh Monthly Payment of Professional Tax and filing of return	10 th January 2025
4	FEMA Act	ECB return	7 th January 2025

ICAI Updates

Continuing Professional Education Committee
The Institute of Chartered Accountants of India
30th December, 2024

ANNOUNCEMENT FOR MEMBERS

Dear Member,

Sub: Extension of last date of CPE hours' compliance for the Calendar year 2024 - From 31st December, 2024 to 28th February, 2025

As you are already aware that "**Statement on Continuing Professional Education, 2023**" (available at link <https://www.icai.org/post/issuance-of-cpe-statement-2023>) has been made effective from Calendar year 2024 onwards, which introduced consequential provisions for non-compliance with CPE hours' requirements applicable to various categories of members on yearly basis. These consequential provisions are applicable w.e.f. 1st January, 2025 for non-compliance arising from the Calendar Year 2024 with regard to CPE hours requirements.

As consequential provisions arising due to non-compliance with CPE requirements are coming into effect for the first time from Calendar year 2024, it has been decided to extend **the last date for complying with the CPE hours requirements for the Calendar year 2024 from 31st December, 2024 to 28th February, 2025**, for the benefit of Members at large and to avoid any hardship due to non-compliance.

On similar grounds, the last date of compliance and filing **Unstructured Learning Activities (ULA)** is also extended till **28th February, 2025**, for the Calendar year 2024.

Further, it may please be noted that the duration of consequential provisions at **Level I (from January 1st to June 30th)** would be changed to **March 1st to June 30th** for Calendar year 2024 and the subsequent levels (II, III and IV) under the consequential provisions for non-compliance with CPE hours will remain unchanged.

For ready reference, consequential provisions for non-compliance with CPE hours requirement on yearly basis from calendar year 2024 onwards are available at <https://resource.cdn.icai.org/79152cpe63323.pdf>

It may be noted that due to the extension of last date for compliance of CPE hours' requirements for the Calendar year 2024 till 28th February, 2025, the CPE hours earned up to 28th February, 2025 will be counted for the calendar year 2024 - for only those Members who have shortfall of CPE credits for the Calendar year 2024. Further it is to be clarified that CPE Hours completed in extended period (01.01.2025 till 28.02.2025) will be credited/counted for Calendar year 2025 for those Members .

who have already complied with CPE Hours requirements as required for Calendar year 2024 till 31st December, 2024.

The above may be noted by the Members for timely compliance of CPE Hours requirements for Calendar year 2024 and **latest by 28th February, 2025**.

Continuing Professional Education Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
'ICAI BHAWAN', A-29, Sector 62, Noida 201309
Website: <http://www.icai.org>, www.cpeicai.org
E-mail : [cpeadmin\[at\]icai\[dot\]in](mailto:cpeadmin@icai.in)

Public Relations Committee

The Institute of Chartered Accountants of India

30th December, 2024

ICAI Press Release

ICAI successfully Concludes 26th Council and 25th Regional Councils Elections

- * 32 Central Council Members & 64 Regional Council Members, elected through a preferential voting process.
- * The New Council Term will be effective from Feb 12th 2025

The Institute of Chartered Accountants of India (ICAI) successfully conducted elections for its 26th Council and 25th Regional Councils on December 6th and 7th, 2024.

A total of **81 candidates competed for 32 Central Council seats** across five regions, with the following representation in the 26th Council:

Western India Regional Council (WIRC): 11 members.

Southern India Regional Council (SIRC): 7 members.

Central India Regional Council (CIRC): 6 members.

Northern India Regional Council (NIRC): 6 members.

Eastern India Regional Council (EIRC): 2 members

In the Regional Council elections, **158 candidates contested for 64 seats** distributed as follows:

WIRC: 21 seats.

SIRC: 14 seats.

CIRC: 12 seats.

NIRC: 12 seats.

EIRC: 5 seats

The newly elected Council will commence its four-year term on February 12, 2025.

On the occasion, **CA. Ranjeet Kumar Agarwal, President ICAI**, said, *"I commend the Returning Officer and his dedicated team for their exemplary efforts in ensuring the smooth and efficient conduct of elections across the country. The election saw participation of approx. 1,64,500 of eligible members voting for shaping the future of the accounting profession in India. I extend my best wishes to the newly elected members of the Council and Regional Councils and look forward to their contributions in taking ICAI to newer heights.*

"CA. (Dr.) Jai Kumar Batra, Returning Officer and Secretary, ICAI said *"The Central Council is a vital body of key members representing over 4.26 lakh Chartered Accountants across various platforms, and it is responsible for making strategic decisions aligned with the ICAI's vision, goals, and policies. Therefore, ensuring a fair and transparent election process for the ICAI is critical. For smooth conduct of election 946 polling booths were established across India. A provision of postal voting and anywhere voting was also arranged to ensure convenience and participation of the voters*

The affairs of the ICAI are governed by a Council consisting of 40 members, in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988. Out of these 40 members, 32 are elected by the Chartered Accountants and 8 are nominated by the Central Government, representing various governmental bodies including Comptroller and Auditor General of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Ministry of Finance and other stakeholders.

About ICAI

The Institute of Chartered Accountants of India (ICAI) is a statutory body set up by an Act of Parliament under the Chartered Accountants Act, 1949 for the regulation and development of the profession of Chartered Accountancy in India. The Institute functions under the administrative supervision of the Ministry of Corporate Affairs, Government of India. With around 9.85 lakh students and over 4.26 lakh members, today ICAI is the largest professional accountancy body in the world. ICAI has a wide network of 5 Regional Councils and 177 Branches within India and a global presence with 52 Overseas Chapters and 29 Representative Offices spanning 81 cities across 47 Countries worldwide.

BUILDING AND THRIVING IN A CA PRACTICE

CA. Praveen Kumar Nahata

Having spent the majority of my professional career as a proprietor in practice, I would like to share a few insights that may prove valuable to colleagues who are in the early stages of establishing their own practice. For those working within existing firms, some of these points might also offer useful perspectives.

Establishing and growing a Chartered Accountant (CA) practice is a journey that evolves over time, with unique challenges and opportunities at each stage. From navigating the early years to building a thriving practice, success requires dedication, resilience, and strategic planning. This guide offers insights tailored for CAs at different stages of their professional journey.

Navigating the Early Years of a CA Practice

The initial years of establishing a CA practice demand immense effort and focus. Achieving a balance between personal and professional life may seem elusive during this period, but laying a strong foundation is critical for long-term success.

1. Balancing Workload and Expectations

In the first 1-2 years, the volume of work may be limited, and much of it could involve low-value assignments requiring significant time investment. While these tasks may not be highly profitable, they provide valuable experience and help cover operating costs. It is advisable to take up such assignments from direct clients. Building your own client base from the outset is crucial to establishing a sustainable practice.

2. Integrity: The Foundation of Trust

Integrity is the cornerstone of a successful CA practice. Clients need to like you, trust you, and value your advice. Building trust begins with honesty and transparency in every client interaction. By demonstrating empathy and understanding, you lay the groundwork for strong, long-term relationships.

3. Emphasizing Revenue Growth Over Time

Initially, your focus should be on gaining experience and building a solid reputation rather than maximizing revenue. After 2-3 years of consistent effort, your practice is likely to have a stable and appreciative client base. At this stage, begin shifting your attention toward optimizing revenue while maintaining the quality of service.

4. Adapting to Technological Advancements

With rapid advancements in AI technology, staying updated on its implications for the profession is essential. Understand both the opportunities and challenges AI presents, and proactively adapt to enhance the positive impacts while mitigating any potential risks. Leveraging AI tools effectively can improve efficiency and offer a competitive edge.

5. Pursuing Professional Development

Continuous learning is key to staying relevant in a dynamic profession. Enroll in specialized certification courses offered by ICAI and other reputable organizations, even if your current clientele does not demand expertise in those areas. Fields such as forensic auditing, insolvency, valuation, concurrent audits, and international taxation can differentiate you from competitors and open doors to higher-value engagements in the future.

Building a Thriving CA Practice

As your practice grows and matures, shifting focus from survival to sustainability and growth becomes paramount. Beyond technical expertise, building relationships, managing time effectively, and ensuring financial discipline are essential for long-term success.

1. Networking: Expanding Your Reach

Unlike other professions, a CA cannot market their services in the conventional sense due to restrictions imposed by ICAI rules and regulations. Instead, referrals and networking are the primary avenues for securing work. Building strong relationships with other CAs can also be beneficial, especially with those who have more work than they can manage and are willing to share assignments. Developing personal connections through informal settings, professional organizations, and existing clients can help expand your network effectively.

2. Effective Time Management

Efficient time management is critical for balancing client work and administrative tasks. Prioritize tasks based on importance and urgency to ensure you focus on the most impactful activities. Develop a system to track tasks and deadlines to avoid procrastination and reduce the stress associated with last-minute work.

3. Focus on Clear Payment Terms

One common pitfall for CAs is placing their entire focus on acquiring clients and completing work, often at the expense of ensuring timely payments. However, establishing and enforcing clear payment terms is crucial for long-term success.

In the short term, setting strict payment terms may lead to losing non-paying clients, which can be challenging. However, in the long run, this approach ensures that only clients who value your services and adhere to payment timelines remain. These clients are more likely to provide high-quality referrals, creating a network of prompt-paying, reliable clients. Communicating payment expectations upfront and consistently enforcing them is key to maintaining financial stability and professional satisfaction.

4. Financial Discipline in Practice

Understanding the financial aspects of your practice is vital for profitability and sustainability. Financial discipline starts with clear financial planning, including setting realistic revenue goals and maintaining a strict budget. Accurate tracking of income and expenses ensures that resources are allocated efficiently and waste is minimized. Managing cash flow proactively—through timely invoicing, prompt collections, and prudent management of working capital—is essential to avoid disruptions.

Conclusion

From the early years of gaining experience to the later stages of building a thriving practice, the journey of a CA is one of continuous learning and adaptation. Each of the points mentioned above encompasses numerous additional areas that a Chartered Accountant should be aware of. However, to maintain brevity and conciseness, I have intentionally kept this article succinct. By focusing on integrity, networking, financial discipline, time management, and high-quality service, CAs can navigate challenges and seize opportunities at every stage. Success lies in persistence, strategic planning, and unwavering commitment to professional values. Remember, the journey is as important as the destination, and each step contributes to building a fulfilling and sustainable practice.



F. No. 225/205/2024/ITA-II
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, dated 31st December, 2024

Subject: - Extension of due date for furnishing belated/revised return of income for the Assessment Year 2024-25 in certain cases– reg.

The Central Board of Direct Taxes ('the CBDT'), in exercise of its powers under section 119 of the Income-tax Act, 1961 ('the Act'), extends the last date for furnishing belated return of income under sub-section (4) of section 139 of the Act or for furnishing revised return of income under sub-section (5) of section 139 of the Act for the Assessment Year 2024-25 in the case of resident individuals from 31st December, 2024 to **15th January, 2025.**

-sd-
(Dr. Castro Jayaprakash.T)
Under Secretary to the Government of India

Copy to:

1. PS to F.M./ PS to MoS (F)
2. PS to Revenue Secretary
3. Chairman (CBDT)& All Members of CBDT
4. All Pr. CCsIT/CCsIT/Pr. DGsIT/DGsIT
5. All Joint Secretaries/CsIT, CBDT
6. Directors/Deputy Secretaries/Under Secretaries of CBDT
7. Web Manager, with a request to place the order on official Income-tax website
8. CIT (M&TP), Official Spokesperson of CBDT with a request to publicize widely
9. JCIT, Data Base Cell for placing it on irsofficersonline.gov.in
10. The Institute of Chartered Accountants of India, IP Estate, New Delhi
11. All Chambers of Commerce
12. The Guard File

T. Castro Jayaprakash.T
(Dr. Castro Jayaprakash.T)
Under Secretary to the Government of India



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

Peer Review Board

The Institute of Chartered Accountants of India

24th December 2024

Clarifications/FAQs on the issues arising out of the Peer Review Mandate

Q. 1 What is Peer Review Mandate?

Ans.: As decided by the ICAI Council, Peer Review Mandate is applicable in four phases as follows:

Phase	Category of Practice Units (firms) covered for Mandatory Peer Review	Date from which Peer Review is Mandatory
I	Practice Units which propose to undertake Statutory Audit of enterprises whose equity or debt securities are listed in India or abroad as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.	01.04.2022
II	Practice Units which propose to undertake Statutory Audit of unlisted public companies having paid-up capital of not less than rupees five hundred crores or having annual turnover of not less than rupees one thousand crores or having, in aggregate, outstanding loans, debentures and deposits of not less than rupees five hundred crores as on the 31st March of immediately preceding financial year: For these Practice Units, there is a pre-requisite of having Peer Review Certificate. OR Practice Units rendering attestation services and having 5 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.	01.07.2024
III	Practice Units which propose to undertake the Statutory Audit of entities which have raised funds from public or banks or financial institutions of over Fifty Crores rupees during the period under review or of any body corporate including trusts	01.01.2025

	<p>which are covered under public interest entities: For these Practice Units, there is a pre-requisite of having Peer Review Certificate.</p> <p>OR</p> <p>Practice Units rendering attestation services and having 4 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.</p>	
IV	<p>Practice Units which propose to undertake audits of branches of Public Sector banks : For these Practice Units, there is a pre-requisite of having Peer Review Certificate.</p> <p>OR</p> <p>Practice Units rendering attestation services and having 3 or more partners: For these Practice Units, there is a pre-requisite of having Peer Review Certificate before accepting any Statutory audit.</p>	01.04.2025

Q.2 At which stage should a Practice Unit have a valid Peer Review Certificate as per various phases of the Peer Review Mandate?

Ans. A Practice unit should have a valid Peer Review Certificate before accepting statutory audit and at the time of signing the audit report for the statutory audit. **However, in respect of statutory audits already accepted before mandatory applicability of respective phase of peer review mandate, practice units should ensure that they have a valid peer review certificate at the time of signing.**

Q.3 What is the meaning of 'raised funds from public or banks or financial institutions of over fifty crore rupees' under 1st criteria of Phase III of the Peer Review Mandate?

Ans. "Raised Funds" means:

- (i) The maximum amount outstanding in respect of cash credit/working capital loan/running loan account etc. during the period under review; and
- (ii) In respect of term loan, amount disbursed by the lenders during the period under review.

The funds raised from all sources taken together shall be considered.

For example:

During the Peer Review period, Client 1 of the Practice Unit has raised funds *from Financial Institution for Rs. 10 crores* and *from Banks for Rs. 45 crores*. Therefore, the total amount of funds raised from all sources is to be taken as over rupees fifty crores and hence in said case the Practice Unit is falling under Phase III of Peer Review Mandate.

Q.4 Whether threshold limit of over Rs. 50 crores is also applicable to ‘any body Corporate including trusts which are covered under public interest entities’ as stated under latter part of 1st criteria of Phase III of the Peer Review Mandate?

Ans. Threshold limit of over Rupees 50 crores is not applicable to the latter part. It would mean Phase III of Peer Review mandate would be applicable to all body corporates/ trusts (including NGOs/Charitable Trusts) which are covered under “Public Interest Entity” without any threshold limit.

Q.5 Please define *Public Interest Entities* under Peer Review Mandate?

Ans. Volume-I of Code of Ethics defines “Public interest entity” in its glossary as under:

- A listed entity; or
- An entity: (i) Defined by regulation or legislation as a public interest entity; or (ii) For which the audit is required by regulation or legislation to be conducted in compliance with the same independence requirements that apply to the audit of listed entities. Such regulation might be promulgated by any relevant regulator, including an audit regulator.

For purpose of this definition, it may be noted that Banks and Insurance Companies are to be considered as Public Interest Entities.

Other entities might also be considered by the Firms to be public interest entities, as set out in paragraph 400.8.

Paragraph 400.8 of Volume-I of Code of Ethics states that:

400.8 Some of the requirements and application material set out in this Part reflect the extent of public interest in certain entities which are defined to be public interest entities. Firms are encouraged to determine whether to treat additional entities, or certain categories of entities, as public interest entities because they have a large number and wide range of stakeholders. Factors to be considered include:

- The nature of the business, such as the holding of assets in a fiduciary capacity for a large number of stakeholders. Examples might include financial institutions, such as banks and insurance companies, and pension funds.
- Size.
- Number of employees.

Q.6 Which type of audits of branches of Public sector banks are covered under Phase IV of the Peer Review Mandate? And whether it covers statutory audits of branches of co-operative banks?

Ans. Statutory Branch Audits of Public Sector Banks would be covered under Phase IV of the Mandate. Statutory Branch Audits of co-operative banks are not covered under Phase IV of the Peer Review Mandate.

Q.7 If Practice Unit does not render attestation services whether Peer Review Certificate is required as per mandate?

Ans. Peer Review Certificate is not required as per Peer Review Mandate if Practice Unit is not rendering attestation services/assurance engagements.

Q.8 What are 'assurance engagements'?

Ans. As per clause 2(2) of Peer Review Guidelines 2022, 'Assurance Engagement' has to be considered as defined in the Framework for Assurance Engagements issued by the Institute of Chartered Accountants of India and as may be amended from time to time means an engagement in which a practitioner expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria but does not include:

- (i) Management Consultancy Engagements;
- (ii) Representation before various Authorities;
- (iii) Engagements to prepare tax returns or advising clients in taxation matters;
- (iv) Engagements for the compilation of financial statements;
- (v) Engagements solely to assist the client in preparing, compiling or collating information other than financial statements;
- (vi) Testifying as an expert witness;
- (vii) Providing expert opinion on points of principle, such as Accounting Standards or the applicability of certain laws, on the basis of facts provided by the client;
- (viii) Engagement for Due diligence and
- (ix) Any other service rendered or function performed by practitioner not prescribed by the Council to be 'Assurance Engagement'.

The phrase 'Assurance Services' is used in the Guidelines interchangeably with Audit Services, Attestation Functions and Audit Functions.

Note: Type of assurance service engagements include Central Statutory Audit, Statutory Audit, Tax Audit, GST Audit, Internal Audit, Certification work but does not include the engagements as stated at (i) to (ix) above.

Q.9 What is the meaning of Statutory Audit?

Ans. Statutory audit means an audit that is mandated by law or statute.

Q.10 As on which date should the number of having 5 or 4 or 3 or more Partners be reckoned for the purpose of determining applicability under different phases of Peer Review Mandate?

Ans. It would be reckoned as on the date of mandatory applicability of the particular phase of the Peer Review Mandate and onwards.

Q.11 Can the Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, apply for Peer review on mandatory basis if they do not satisfy additional conditions specified for a New unit? Can they apply for peer review on voluntary basis?

Ans. A Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, can apply for peer review as a “New unit” defined under clause 5(iv) of Peer Review Guidelines, 2022 and would have to satisfy additional conditions prescribed for new units.

Such practice units can also not apply on voluntary basis for peer review as they are established for less than 12 months immediately preceding the date of receipt of application for which there is a specific category ‘New unit’ under Peer Review Guidelines, 2022.

Q.9 As on which date should the number of having 5 or 4 or 3 or more Partners be reckoned for the purpose of determining applicability under different phases of Peer Review Mandate?

Ans. It would be reckoned as on the date of mandatory applicability of the particular phase of the Peer Review Mandate and onwards.

Q.10 Can the Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, apply for Peer review on mandatory basis if they do not satisfy additional conditions specified for a New unit? Can they apply for peer review on voluntary basis?

Ans. A Practice unit, established for less than 12 months immediately preceding the date of receipt of application for peer review, can apply for peer review as a “New unit” defined under clause 5(iv) of Peer Review Guidelines, 2022 and would have to satisfy additional conditions prescribed for new units.

Such practice units can also not apply on voluntary basis for peer review as they are established for less than 12 months immediately preceding the date of receipt of application for which there is a specific category ‘New unit’ under Peer Review Guidelines, 2022.

F. No. 370149/213/2024-TPL
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, dated 30th December, 2024

Subject: - Extension of due date for determining amount payable as per column (3) of Table specified in section 90 of Direct Tax Vivad Se Vishwas Scheme, 2024 - reg.

The Central Board of Direct Taxes (CBDT), in exercise of its powers under sub-section (2) of section 97 of the Direct Tax *Vivad Se Vishwas* Scheme, 2024 ('the Scheme') extends the due date for determining amount payable as per column (3) of the Table specified in section 90 of the Scheme **from 31st December, 2024 to 31st January, 2025.**

(2) Accordingly, notwithstanding anything contained in the Direct Tax *Vivad Se Vishwas* Scheme, Rules or Guidance Note of 2024, in such cases where declaration is filed on or before 31st January, 2025, amount payable shall be determined as per column (3) of the Table specified in section 90 of the Scheme, and where declaration is filed on or after 01st February, 2025, amount payable shall be determined as per column (4) of the said Table.



(Surbendu Thakur)

Under Secretary to the Govt. of India

Copy to:

1. PS to F.M./ PS to MoS (F)
2. PS to Revenue Secretary
3. Chairman (CBDT) & All Members of CBDT
4. All Pr. CCsIT/CCsIT/Pr. DGsIT/DGsIT
5. All Joint Secretaries/CsIT, CBDT
6. Directors/Deputy Secretaries/Under Secretaries of CBDT
7. Web Manager, with a request to place the order on official Income-tax website
8. CIT (M&TP), Official Spokesperson of CBDT with a request to publicize widely
9. JCIT, Data Base Cell for placing it on irsofficersonline.gov.in
10. The Institute of Chartered Accountants of India, IP Estate, New Delhi
11. All Chambers of Commerce
12. The Guard File

Caselaw Digest – December 2024

Conversion of interest into equity shares tantamount to actual payment u/s 43B; deduction allowable

Telangana High Court in the case of Frontier Information Tech Ltd. reported in [2024] 169 taxmann.com 729 (Telangana)

Where assessee-company had converted interest due to a company into equity shares, since liability of assessee to pay interest ceased to exist on issue of shares in favour of company, such conversion would tantamount to actual payment within meaning of section 43B and, thus, assessee would be entitled to deduction under section 43B

Reassessment notice issued without proper sanction from specified authority is invalid

Mumbai ITAT in the case of Surya Ferrous Alloys (P.) Ltd reported in [2024] 169 taxmann.com 736 (Mumbai - Trib.)

Where Assessing Officer issued notice under section 148 for assessment year 2017-18 on 30-7-2022, after obtaining necessary approval from Principal Commissioner, since notice was issued beyond period of three years from end of relevant assessment year, case of assessee fell within provisions of section 151(ii) of amended law whereby specified authority for grant of approval was specified as Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, and thus, impugned notice was invalid.

HC quashed reassessment due to lack of new tangible material for reopening assessment

Gujarat High Court in the case of Meghmani Organics Ltd. reported in [2024] 169 taxmann.com 734 (Gujarat):

Where Assessing Officer during regular course of assessment had called for details of depreciation as well as disallowance to be made under section 14A and assessee had also disallowed interest under

section 23 of MSME Act in return of income, Assessing Officer had no jurisdiction to reopen assessment on basis of above details which were already scrutinised during course of regular assessment, especially when notice was issued beyond permissible four-year limitation.

CSR exp. incurred is allowable as revenue exp. even if Co. wasn't liable to spend any amount; SLP dismissed

Supreme Court in the case of Adani Power Rajasthan Ltd. reported in [2024] 169 taxmann.com 725 (SC)

(SLP arising from the decision of High Court of Gujarat reported in [2023] 150 taxmann.com 136 (Gujarat))

Where assessee incurred loss during three immediately preceding financial years and was not under obligation to spend any amount under CSR as per section 135 of Companies Act, 2013, CSR expenditure incurred was out of commercial expenditure and was to be allowed.

HC quashed reassessment as SCN issued in name of deceased; legal heirs not bound by it

High Court of Bombay in the case of Gourang Anil Wakade reported in [2024] 169 taxmann.com 731 (Bombay)

Where show cause notice under section 148A(b) was issued against deceased person and an order thereon was passed under section 148A(d), as also impugned notice under section 148 was also issued, all this having happened after concerned assessee had expired, entire action was non-est and void ab initio and even legal heirs could not be bound by such order.

AO to apply net profit rate of 1% on entire deposits if assessee failed to prove genuineness of cash credit: ITAT

ITAT Mumbai Bench in the case of Pankaj Pyarelal Khemka reported in [2024] 169 taxmann.com 690

(Mumbai - Trib.)

Where Assessing Officer treated entire deposits in bank account of assessee as unexplained income under section 68, but there were equivalent withdrawals giving a credit balance and immediate transfers to another entity, proper course would be to either consider withdrawals or apply a net profit rate to deposits, as taxing entire deposit amount would not be justified

AO can't make additions on other issues if no additions were made on reassessment issues: HC

Delhi High Court in the case of Sunlight Tour and Travels (P.) Ltd reported in [2024] 169 taxmann.com 673 (Delhi)

Explanation 3 to section 147 cannot be interpreted to mean that Assessing Officer could assess other incomes of assessee even in cases where no addition is made on account of reasons for which reassessment was initiated

AO cannot refuse sec. 11 exemption if payments to specified persons in prior years were accepted without issues

ITAT Bangalore Bench in the case of CMR Jnanadhara Trust reported in [2024] 169 taxmann.com 661 (Bangalore - Trib.):

Where Assessing Officer denied exemption under section 11 to assessee-trust on ground that assessee had extended benefits to specified persons, since in assessee's own case for earlier assessment years, exemption under section 11 was allowed by revenue in assessments framed under section 143(3), revenue could not take a different stand in assessee's own case for current year in absence of any material differences between the facts of relevant year and those of the earlier assessment years.

Eligibility to apply under VSV Scheme not contingent on merits of maintainability of appeal: HC

High Court of Delhi in the case of Prayas Buildwell (P.) Ltd. reported in [2024] 169 taxmann.com 691 (Delhi):

Where assessee filed an appeal before Tribunal against order passed by Commissioner (Appeals) which was pending, assessee was entitled to file a declaration under section 4(1) of Vivad Se Vishwas Act, 2020.

ITAT cannot reverse CIT(A)'s order without reasons if additions were deleted based on available material: HC

High Court of Telangana in the case of Konda Ramesh reported in [2024] 169 taxmann.com 688 (Telangana):

Where Commissioner (Appeals) deleted addition made by Assessing Officer on account of interest received by assessee on ground that assessee was not a company and interest could not be assessed on accrual basis, since aforesaid finding of fact recorded by Commissioner(Appeals) was based on material available on record, same could not have been reversed by Tribunal without assigning any reasons.

HC set aside assessment order as notices were sent to unregistered email, denying fair opportunity to assessee

High Court of Calcutta in the case of Neha Bhawsingka reported in [2024] 169 taxmann.com 669 (Calcutta):

Where assessee challenged assessment order on ground that statutory notices under sections 143(2) and 142(1) were not served to her at her registered email address, as mandated under section 282, but were sent to an unregistered email address, thereby depriving her of a fair opportunity to respond, violating principles of natural justice, impugned assessment order being bad in law was to be set aside.

No need to maintain separate books if business activity is incidental to main objectives of trust: ITAT

ITAT Mumbai Bench in the case of St. Joseph's Education and Medical Relief Society reported in [2024] 169 taxmann.com 596 (Mumbai - Trib.):

Where business activity of a trust is incidental to attainment of main objectives of trust, maintaining separate books of account is not necessary for such trust or institution in respect of such activities.

Sec. 54F relief available even if new house is purchased in name of wife who is separately assessed: ITAT

Chennai ITAT in the case of Vidjayane Durairaj - Vidjayane Velradjou reported in [2024] 169 taxmann.com 625 (Chennai - Trib.):

Where assessee sold an immovable property and invested capital gain into a residential property purchased in his wife's name, assessee was to be allowed deduction under section 54F, as, for purpose of section 54F, new residential house need not be purchased by assessee in his own name.

Reassessment notice quashed for being issued beyond time limit under non-obstante clause u/s 150

High Court of Delhi in the case of Sanjay Singhal reported in [2024] 169 taxmann.com 622 (Delhi):

Decision of High Court dismissing revenue's appeal against order of Tribunal could not be read as findings and directions within meaning of section 150, to permit revenue to issue notices under section 148 beyond period stipulated under section 149(1), hence impugned notice issued beyond period as stipulated under section 149(1) was to be set aside

Penalty u/s 271AAB applicable on undisclosed income admitted during search for prior years: ITAT

ITAT Delhi Bench in the case of Subhash Tyagi reported in [2024] 169 taxmann.com 623 (Delhi - Trib.):

Where assessee admitted in statement under section 132(4) that amount recorded towards sundry creditors was in effect fictitious liability by way of bogus purchases, entries found recorded in books as a result of creative accounting towards unexplained liabilities was nothing but undisclosed income as defined in section 271AAB and thus, penalty under section 271AAB was rightly imposed

HC quashed reassessment as AO failed to show how info from investigation wing indicated income escapement

High Court of Gujarat in the case of J.K. Bullions (P.) Ltd reported in [2024] 169 taxmann.com 590 (Gujarat):

Where Assessing Officer reopened assessment on basis of report of Investigation Wing that cash deposits appearing in bank account of assessee were unexplained money under section 69A and that assessee had made cash sales without keeping proper documentary evidence and identity of customers, since reasons recorded for reopening did not disclose any nexus between information received from Investigation Wing and formation of belief that income had escaped assessment, impugned reopening notice was to be set aside.

—By CA. K. Hemalatha



Program Calendar for the Month

S.No	Date & Time	Topics
1	12/01/2025 Sunday	Election to the Managing Committee of Visakhapatnam Branch of SIRC of ICAI for the term 2025-29
2.	22/01/2025 - 5.00 pm to 7.00 pm Wednesday CPE : 2 Hrs	Physical - CPE Seminar on S. Vaidyanath Aiyar Memorial Lecture Topic : Opportunities for Chartered Accountants
3	25/01/2025 - 10.30 am to 5.00 pm Saturday CPE : 6 Hrs	Physical - CPE Seminar on GST & FEMA Topics : Analysis of the recommendation of 55th GST Council Overseas Investment for Individuals
4.	26/01/2025 (Sunday)	76th Republic Day Celebrations

“Snapshot of Memories: A Glimpse into Last Month’s Events”

Physical - CPE Seminar on Code of Ethics - Part 1 & 3 GSTR 9,9C - Do's & Don'ts held on 12th December, 2024



Felicitation to CA. Vadali Surya Prakasa Rao on 19.12.2024 under "We Care" programme



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