



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



# Visakhapatnam Branch (SIRC)

NOVEMBER - 2024

*e-Newsletter*

Chairman  
**CA. ANIRBAN PAL**

Secretary  
**CA. LOKESH P**

Editor  
**CA. G. VASUDEVAMURTY**



## Table of Contents

▶ Chairman Writes.....	2
▶ Compliance Calendar.....	3
▶ Articles	
• GST Online Gaming : Understanding the New Regulations .....	4
▶ Legal Updates .....	5
▶ Program Calendar for the Month .....	7
▶ "Snapshot of Memories: A Glimpse into Last Month's Events".....	7

## Chairman Writes ...



Dear Members,

I am pleased to connect with you through this edition of our branch newsletter. Hope festivities of Dussehra and Diwali have rejuvenated you with joy and happiness.

This past month has been filled with enriching opportunities for our fraternity to grow professionally and stay updated with the latest industry developments.

On October 19th and 20th we held a successful Residential Refresher Course at Gopalpur, Odisha, providing members a valuable platform to deepen their knowledge and engage with peers in a conducive learning environment. I sincerely thank the learned speakers CA. Avinash Gudivada, CA. Dadi Avinaash & CA. Sridhar Andhavarapu for their educative and lucid presentations.

Further we organized a full-day seminar on GST and Income Tax, covering recent updates and amendments. The sessions were informative and insightful, equipping participants with the latest regulatory changes that impact our profession. I convey my heartfelt thanks to Sri M R R Reddy garu, Principal ADG, DGGI, Visakhapatnam for gracing the event as the Chief Guest and specially thank CA. Ashish Kumar Agarwal & CA. T Venkateswarlu for excellent deliberations on the subject.

We also felicitated CA Garuda Ramjee Garu as a part of the "We Care" program during October, seeking his valuable insights on the profession and the way forward. We propose to continue this tradition in the coming months also.



I extend my sincere gratitude to all contributors who have enriched this newsletter, and to our esteemed resource persons who dedicated their time and expertise to make these sessions so impactful. Your support continues to strengthen our branch and enhance the professional competence of our members.

In the ensuing month, we have scheduled two batches of the Certificate Course on Artificial Intelligence. This initiative, designed for the benefit of our members, aims to provide essential AI knowledge, which is increasingly relevant in today's professional landscape. Furthermore, to advance our initiative on the Python programming language, we have planned two hands-on practical sessions in November as a follow-up to the introductory theory articles featured in the last few newsletters.

Thank you once again for your active participation and engagement. Together, let us continue to foster a learning-oriented fraternity that embraces new developments and strives for excellence.

Warm regards,

**CA Anirban Pal**

Chairman, Visakhapatnam Branch  
The Institute of Chartered Accountants of India (ICAI)

# Compliance Calendar .....



**For the month of November 2024**

**CA. Rithik Agrawal**

SL. No.	Particulars	Compliance	Due date
1	Income Tax Act, 1961	Monthly TDS and TCS payment	7 <sup>th</sup> November 2024
		Furnishing of return of income for the assessment year 2024-25 (ITR-3 to ITR-7)	15 <sup>th</sup> November 2024 (extended)
		TDS certificates for quarter 2	15 <sup>th</sup> November 2024
2	Goods and Service Tax Act, 2017	GSTR-1 (normal tax payer)	11 <sup>th</sup> November 2024
		GSTR-3B (normal tax payer)	20 <sup>th</sup> November 2024
		Form IFF (QRMP scheme)	13 <sup>th</sup> November 2024
		GSTR-6 (Input service distributor)	13 <sup>th</sup> November 2024
		GSTR-7 (Taxpayer required to deduct TDS)	10 <sup>th</sup> November 2024
		GSTR-8 (E-commerce operator)	10 <sup>th</sup> November 2024
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 <sup>th</sup> November 2024
		Professional Tax compliances for state of Andhra Pradesh Monthly Payment of Professional Tax and filing of return	10 <sup>th</sup> November 2024
4	FEMA Act	ECB return	7 <sup>th</sup> November 2024



## GST ONLINE GAMING : UNDERSTANDING THE NEW REGULATIONS

CA Mayuri Tatiya

The Goods and Services Tax (GST) Council's recent decision to impose a 28% GST on online gaming has sent ripples through the industry. Effective July 2023, the new rate applies to all online games, eliminating the distinction between "games of skill" and "games of chance." This article delves into the implications of the revised GST rate on online gaming.

### Background

India's online gaming market has experienced rapid growth, projected to reach Rs. 29,000 crores by FY25. However, the industry faced uncertainty due to ambiguous GST regulations. Previously, games of skill (e.g., esports, puzzles, card games) were taxed at 18% on platform commission or service fee, while games of chance (e.g., casino games) attracted a 28% GST on total bet value.

### New GST Rate: 28% on Full Face Value

The GST Council's decision unifies the tax rate for all online games at 28% on the full face value. This change aims to simplify taxation and reduce disputes. Key aspects of the new regulations:

- No distinction between games of skill and chance: All online games will be taxed at 28%.
- Full face value taxation: GST will be applied to the entire transaction value.
- Impact on industry profitability: Higher GST rate may reduce profit margins.

### Industry Concerns

Stakeholders have raised concerns about the revised GST rate:

- Increased cost for users: Higher GST may lead to lower playable value.
- Reduced competitiveness: Indian gaming platforms may struggle against international competitors.
- Impact on foreign investment: Higher GST rate may deter foreign investors.

### Way Forward

To mitigate the impact, the industry may consider:

- Absorbing GST costs: Platforms may absorb some or all of the GST increase.
- Revising business models: Companies may explore alternative revenue streams.
- Engaging with policymakers: Industry stakeholders should advocate for clarity and potential revisions.

### Conclusion

The revised GST rate on online gaming aims to simplify taxation but may have far-reaching implications for the industry. As the market adapts, stakeholders must navigate the changed landscape and engage with policymakers to ensure a competitive and sustainable online gaming ecosystem in India.



## CASE LAW DIGEST – OCTOBER 2024

**HC quashed reassessment notice as AO ignored assessee's objections without detailed consideration**

Gujarat High Court in the case of Chandrika Dhansukhlal Gandhi reported in [2024] 167 taxmann.com 638 (Gujarat)

Where Assessing Officer issued reopening notice on basis of information received from DDIT (Investigation) that assessee was involved in large scale tax evasion and money laundering through brokers (Euro Asia and Twenty20) in National Spot Exchange Ltd (NSE) and assessee filed objections stating that assessee never had any trade through said brokers but had carried out transactions with broker K.R., but said objection was brushed aside by Assessing Officer without considering same in detail, impugned notice issued under section 148 was not tenable as Assessing Officer had failed to form a reason to believe that income had escaped assessment without considering objections raised by assessee.

**SetCom cannot reopen concluded proceedings to levy interest under sec. 234B by invoking sec. 154: HC**

High Court of Madras in the case of G. Gopalakrishna Pillai reported in [2024] 167 taxmann.com 642 (Madras)

Settlement Commission cannot reopen its concluded proceedings by having recourse to section 154 so

as to levy interest under section 234B, if it was not done in original proceedings.

**Assessee allowed to file settlement application before Interim Board as search was prior to 31-03-2021**

Kerala High Court in the case of New Hope Foundation reported in [2024] 167 taxmann.com 474 (Kerala):

Where search under section 132 in respect of petitioners was prior to 31-3-2021, petitioners were entitled to maintain applications for settlement before Interim Board for Settlement,

provided such applications were filed on or before 30-9-2021.

**HC quashed reassessment as sales commission was duly offered to tax in ITR processed by AO**

Punjab & Haryana High Court in the case of Vishal Garg V. ACIT reported in [2024] 167 taxmann.com 483 (Punjab & Haryana)

Where assessee pursuant to notice issued under section 133(6) disclosed that sales commission was received from a company, since same was offered for tax as part of business turnover disclosed in ITR and processed by Assessing Officer issuance of reopening notice 148 on that no reply was filed during proceedings under section 133(6) and assuming that commission received by assessee was not included in taxable business turnover was not justified.

**No reassessment to disallow capital gain on sale of shares if same was duly considered during regular assessment: HC**

High Court of Gujarat in the case of Mohit Somchand Shah HUF reported in [2024] 167 taxmann.com 386 (Gujarat)

Where Assessing Officer issued on assessee a notice under section 148 seeking to reopen assessment framed under section 143(3) on ground that assessee had availed accommodation entries from 'K' in form of LTCG, since Assessing Officer during course of regular assessment proceedings had considered long-term capital gain as well as short-term capital gain claimed by assessee from script of 'K', impugned notice could not be sustained.

**No sec. 43CA additions if part of consideration was received in cheque as per agreement prior to date of sale**

ITAT Pune Bench in the case of Kolte Patil Developers Ltd. reported in [2024] 167 taxmann.com 385 (Pune - Trib.)

Where assessee-builder had received a part of consideration in respect of sale of flats in advance by cheque as per agreement and sale deeds were made on basis of agreement value, in view of

provisions of sub-sections (3) and (4) of section 43CA, no addition was called for.

### Addition of son's name in new residential flat wouldn't affect claim of Sec. 54F exemption: ITAT

ITAT Mumbai Bench in the case of Abdul Nayab Shaikh reported in [2024] 167 taxmann.com 381 (Mumbai - Trib.):

Where assessee was owner of a residential house with joint ownership with his wife and he sold said property and purchased a new residential flat in names of himself and his son, addition of son's name in new residential flat would not affect assessee's claim of exemption under section 54F.

### Construction of floor on existing building to be treated as construction of new residential house for sec. 54F relief

ITAT Chennai Bench in the case of Chandra Bhavani Sankar reported in [2024] 167 taxmann.com 384 (Chennai - Trib.):

Where Assessing Officer did not accept assessee's explanation that he received Rs. 59.90 lakhs from his father for construction of house property during assessment year 2012-13 and made addition of said amount to assessee's income under section 68, since assessee had discharged burden to prove that an amount of Rs. 57 lakhs was received by him from his father between May, 2011 to February, 2012 and he had withdrawn an amount of Rs. 13.90 lakhs from his bank account between 1-8-2009 to 16-7-2010, assessee succeeded in proving nature and source of Rs. 59.90 lakhs and, thus, impugned addition was not warranted.

### No sec. 40A(3) disallowance if sellers of land confirmed receipt of cash due to contingencies: ITAT

ITAT Dehradun Bench in the case of Amarjeet Singh reported in [2024] 167 taxmann.com 383 (Dehradun - Trib.):

here assessee purchased a plot of land and paid part of consideration in cash to sellers and lower authorities disallowed cash payment under section 40A(3), since sellers confirmed receipt of consideration in cash and contingencies thereof, impugned addition to be deleted.

### HC condoned delay in filing audit report in Form 10B as it was filed before extended due date of filing ITR

High Court of Kerala in the case of Mary Queens Mission Hospital reported in [2024] 167 taxmann.com 379 (Kerala):

Where assessee filed audit report in Form No. 10B with a delay of 30 days and thereafter it filed application under section 119(2)(b) praying for condonational of delay in filing audit report, Commissioner should have exercised his jurisdiction under section 119(2)(b) to condone delay instead of taking strict view of matter.

### Sec. 54F exemption cannot be denied if new house property is not registered within prescribed time limit: ITAT

ITAT Visakhapatnam Bench in the case of Siva Jyothi Palam reported in [2024] 167 taxmann.com 686 (Visakhapatnam - Trib.):

Where assessee sold vacant land in October/ November, 2016 and purchased a house property and had paid entire sale consideration on 14-11-2016 and possession of property was also given to assessee on same day itself, merely because registration of house property (new) was delayed or done beyond prescribed time limit of 24 months from date of disposal of capital asset, it could not be a ground to deny exemption claimed under section 54F by assessee.

— — — By CA K Hemalatha





# Program Calendar for the Month .....

S.No	Date & Time	Topics
1	07/11/2024 to 09/11/2024 3 Days Programme Thursday to Saturday - 18 hrs. 10.00 am to 06.00 pm	Physical - Certificate Course on AI for Chartered Accountants (AICA) - Level 1 (1st Batch 38)
2.	14/11/2024 and 16/11/2024 Thursday & Saturday 10.30 am to 05.00 pm 12 hrs.	Physical - CPE Seminar Topic : Hands on Training in Python Programming
3	20/11/2024 to 22/11/2024 3 Days Programme Wednesday to Friday - 18 hrs. 10.00 am to 06.00 pm	Physical - Certificate Course on AI for Chartered Accountants (AICA) - Level 1 (2nd Batch 47)

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

Physical - Residential Refresher Course (RRC) at ZONE by the Park, Gopalpur, Odisha held on 19th to 20th October 2024









## CPE Seminar on GST and Income Tax held on 26th October, 2024



## Felicitation to Ramjee Garuda Venkata on 30.10.2024 under "We Care" programme



Published by **CA. Anirban Pal, Chairman** on behalf of Visakhapatnam Branch of SIRC of The Institute of Chartered Accountants of India, Visakhapatnam and Designed at Maruthi Printers, Plot No. 193, Sector-3, MVP Colony, Visakhapatnam - 17, Cell : 92469 32859, email : balajiavprasad@gmail.com and Published for Visakhapatnam Branch of SIRC of ICAI, D.No.9-36-22/2, Pithapuram Colony, Visakhapatnam - 530 003, Ph : 0891-2755019, email : visakhapatnam@icai.org. **Editor : CA. G. Vasudevamurthy**, Visakhapatnam Branch of SIRC of ICAI.

**The Views expressed by contributors in this Newsletter do not necessarily reflect the opinion of the Branch or the Institute**