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## Tax Trends

Top Tax News This  
Week

## GST Section 75(5) Provides for Maximum Three Adjournments, Not Necessarily Three Hearings: Delhi HC in Fraudulent ITC Case

In a recent ruling, the Delhi High Court clarified the interpretation of Section 75(5) of the Goods and Services Tax (GST) Act, 2017, stating that it sets a maximum limit of three adjournments in assessment proceedings but does not mandate that three personal hearings must be granted. The case involved SS Enterprises, which challenged a hearing notice related to an alleged fraudulent Input Tax Credit (ITC) claim of ₹172 crores based on fake invoices from firms allegedly controlled by one Ms. Aarti Kapoor. The petitioner argued that the notice was not properly served and claimed a denial of three hearings. However, the Court noted that SS Enterprises had received the notice on January 18, 2025, ahead of the hearing scheduled for January 21, 2025, and chose not to attend. The bench, comprising Justice Prathiba M. Singh and Rajneesh Kumar Gupta, emphasized that Section 75(5) is designed to prevent delays, not to ensure a minimum number of hearings.





**The Economic Times**

## Games of skill not gambling: Online gaming cos tell SC as they challenge Rs 1.12 lakh cr tax demand

Online gaming companies, led by Gameskraft, argued before the Supreme Court that the retrospective imposition of 28% GST on online games misinterprets the term “gambling” and contradicts over 60 years of jurisprudence evolved by the apex court and various high court. Represented by senior counsel A.M. Singhvi, Gameskraft contended that games involving a substantial degree of skill are not equivalent to betting or gambling, which courts have long treated as distinct. Mr. Singhvi emphasized that Games of Skill are in a separate legal category from Games of Chance, and this distinction has consistently been upheld by the Supreme Court. He further argued that online gaming platforms do not supply “actionable claims” to players and therefore the GST levy is legally unsustainable.

## Landowners get interim court relief from GST on joint development pacts

The Bombay High Court has granted interim relief to landowners challenging the levy of GST on development rights transferred under revenue-sharing joint development agreements (JDAs), a matter with significant implications for India's real estate sector. The petitioners argued that such transfers should be treated as a sale of land, which is constitutionally outside the scope of GST, rather than a supply of services. In response, the Court has issued notices to the tax authorities and restrained further action on the tax demands, pending resolution. The core legal issue is whether the transfer of development rights in return for built-up area or revenue constitutes a taxable service or a non-taxable land transaction under the GST regime.





**The Economic Times**

## **ITR-2 for FY2024-2025 notified by Income Tax dept: There's good news for Rs 50 lakh to Rs 1 crore income-earners, know other changes and more**

The Central Board of Direct Taxes (CBDT) has notified the new Income Tax Return Form-2 (ITR-2) for the financial year 2024–25, effective retrospectively from April 1, 2025. ITR-2 is applicable to individuals with income from salary or pension, multiple house properties, and capital gains from the sale of property or investments. It is especially relevant for salaried taxpayers who invest in equities and mutual funds, or have income exceeding ₹50 lakh, foreign assets, or multiple properties, criteria that disqualify them from using ITR-1. A key change in the new form, according to CA Ashish Niraj, is that the disclosure of assets and liabilities in Schedule AL is now required only if total income exceeds ₹1 crore, up from the earlier threshold of ₹50 lakh, providing compliance relief to taxpayers earning between ₹50 lakh and ₹1 crore.

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