

J P Chawla & Co. LLP

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Fineprint

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A MONTH THAT WAS

EV industry poised for \$20bn investment surge across south & southeast Asia

The EV industry is set to invest \$20 billion in South and Southeast Asia (SSEA), driven by growing demand and favorable government policies, according to S&P Global Ratings. Forecasted EV sales growth of over 20% annually through 2026 is attracting major automakers. Chinese firms are scaling up production for SSEA's cost-sensitive buyers, while Korean brands are entering through Indonesian partnerships for battery and vehicle production. In India, Tata Motors is expanding EV infrastructure with new plants. However, rising competition could lead to price wars and oversupply, underscoring the need for financial caution and strategic alliances in this evolving market.

KRN HVAC to invest Rs 1,000 crore in heat exchanger manufacturing

The Rajasthan government has signed an MoU with KRN HVAC Products, a subsidiary of KRN Heat Exchanger and Refrigeration, for a Rs 1,000 crore investment in heat exchanger manufacturing. This investment will be delivered in phases to support a new project underway at the subsidiary. KRN specializes in producing and exporting water coils and heat exchangers with copper tubes and aluminum fins, widely used by OEMs in the heating, ventilation, air conditioning, and refrigeration (HVAC&R) industry. This initiative aims to strengthen Rajasthan's industrial base while supporting KRN's expansion in the HVAC&R sector.

India targets \$87 billion in petrochemical investments over the next decade

India anticipates \$87 billion in petrochemical investments over the next decade, driven by rising demand as more citizens enter the middle class, according to Oil Minister Hardeep Singh Puri at India Chem 2024 in Mumbai. With per capita petrochemical consumption still low compared to developed nations, India's annual demand of 25-30 million metric tons is set to grow. The sector, valued at \$220 billion, is projected to reach \$300 billion by 2025. Companies, including ONGC, BPCL, and Haldia, have pledged \$45 billion, with an additional \$100 billion expected, pushing production from 29.62 to 46 million tons by 2030.





Notify date for newly added section 128A for waiver of Interest and Penalty

Notification No. 21/2024-Central Tax

A new provision is added in the union budgets 2024 where a relief from payment of interest and penalty has been provided to the outstanding demand for FY 2017-18, 2018-19 & 2019-20. The date has been notified as 31 March 2025 by which the outstanding demand (tax amount only) is required to be paid. In the case of order required to be passed under sec 75(2) of CGST Act the timeline is six months from the date of issuance of the order by the proper officer redetermining tax under section 73 of the said Act.

Procedure for ratification of order in case of demand for ineligibility of ITC which is eligible by virtue of newly added provision of sec 16(5) & 16(6) of CGST Act 2017.

Notification No. 22/2024-Central Tax

The government vide this notification had laid down the procedure for applying the ratification of the order earlier passed for ineligible credit which is been eligible by virtue of newly added provision of sec 16(5) & 16(6) of CGST Act 2017.

1. The said person shall file, electronically on the common portal, within a period of six months from the date of issuance of this notification, an application for rectification of an order issued under section 73 or section 74 or section 107 or section 108 of the said Act, as the case may be, confirming demand for wrong availment of input tax credit, on account of contravention of provisions of sub-section (4) of section 16 of the said Act, but where such input tax credit is now available as per the provisions of sub-section (5) or sub-section (6) of section 16 of the said Act, and where appeal against the said order has not been filed.
2. The said person shall, along with the said application, upload the information in the proforma as provided with this notification.
3. The proper officer for carrying out rectification of the said order shall be the authority who had issued such order, and the said authority shall take a decision on the said application and issue the rectified order, as far as possible, within a period of three months from the date of the said application.

4. Where any rectification is required to be made in the order referred to in paragraph 1 and, the said authority has issued a rectified order thereof, then the said authority shall upload a summary of the rectified order electronically –
 - i. in FORM GST DRC-08, in cases where rectification of an order issued under section 73 or section 74 of the said Act is made; and
 - ii. in FORM GST APL-04, in cases where rectification of an order issued under section 107 or section 108 of the said Act is made.
5. The rectification is required to be made only in respect of demand of such input tax credit which has been alleged to be wrongly availed in contravention of provisions of sub-section (4) of section 16 of the said Act, but where such input tax credit is now available as per the provisions of sub-section (5) or sub-section (6) of the said section 16.
6. Where such rectification adversely affects the said person, the principles of natural justice shall be followed by the authority carrying out such rectification.

Waiver of Late Fee for late filing of NIL FORM GSTR-7

Notification No. 23/2024-Central Tax

The late filling fees for NIL returns starting from June 2021 till date shall be waived off. However, the late filling fees for government entities have been reduced to Rs. 50 per day subject to maximum Rs. 2,000.

Barring of GST Return on expiry of three years

GST Advisory

As per the Finance Act, 2023 (8 of 2023), dt. 31-03-2023, implemented w.e.f 01-10-2023 vide Notification No. 28/2023 – Central Tax dated 31st July, 2023, the taxpayers shall not be allowed file their GST returns after the expiry of a period of three years from the due date of furnishing the said return under Section 37 (Outward Supply), Section 39 (payment of liability), Section 44 (Annual Return) and Section 52 (Tax Collected at Source). These Sections cover GSTR-1, GSTR 3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9.

The said changes are going to be implemented in the GST portal from early next year (2025). Hence, the taxpayers are advised to reconcile their records and file their GST Returns as soon as possible if not filed till now.





Notification of Entities for the purposes of Section 10(46) of the Income Tax Act.

Section 10(46) of the Income Act, 1961 specifies the income of the body or authority or Board or Trust or Commission which is exempt subject to fulfillment of conditions.

The Central Government has notified the following entities :

- a. State Load Dispatch Centre Unscheduled Interchange Fund- West Bengal State Electricity Transmission Company Limited – This entity is notified for AY 2023-24 and AY 2024-25.
- b. Gujarat Water Supply and Sewerage Board, Gandhinagar – This entity is notified for AY 2022-23 to AY 2026-27.
- c. Real Estate Regulatory Authority, New Delhi – This entity is notified for AY 2019-20 to AY 2022-23.
- d. District Legal Service Authority constituted by Government of Haryana - This entity is notified for AY 2024-25 to AY 2028-29.
- e. West Bengal Pollution Control Board - This entity is notified for AY 2021-16.

– [Notification No. – 107/2024, 108/2024, 109/2024, 110/2024 and 117/2024]

Amendment in Form 10A

The Central Board of Direct Taxes has amended the Form 10A. Form 10A is the form for applying the registration or re-registration under Section 12A or 80G of Income Tax Act, 1961.

– [Notification No. – 111/2024]

Amendment in Rule 26B

The Central Board of Direct Taxes has amended the Rule 26B. Rule 26B specifies the format of statement to be furnished by employee to his employer regarding the details of other income, TDS deducted on such income and TCS collected.

– [Notification No. – 111/2024]

Exemption of TCS

The Central Government has notified the provision of Section 206C(1F) will not be applicable on payments received from Reserve Bank of India (RBI). Section 206C(1F) provides for collection of tax on sale of motor vehicles or other goods for value exceeding INR 10 Lakhs.

– [Notification No. – 115/2024]

Notification of E-Filing of Income Tax Forms

The Director General of Income Tax has notified the following forms which shall now be submitted electronically.

Income Tax Form	Description
Form 3CEDA	Application for rollback of an Advance Pricing Agreement
Form 3C-O	Application for approval under Section 35CCC(1) of Income Tax Act

– [Notification No. - 5/2024]

Issuance of Guidance Note for Vivad se Vishwas

The Central Board of Direct Taxes has issued the Guidance Note on the Direct Tax Vivad se Vishwas Scheme 2024. The guidance note is issued in the form of answers to frequently asked questions.

– [Circular No. - 12/2024]

Condonation of Delay for Section 80P of Income Tax Act, 1961.

Applications have been received in the Central Board of Direct Taxes (hereafter referred to as 'the Board') from co-operative societies claiming deduction u/s 80P of the Act for assessment year 2023-24, regarding condonation of delay in furnishing return of income and to treat such returns as 'returns furnished on or before the due date under subsection (1) of section 139 of the Act' stating that delay in furnishing return of income was caused due to delay in getting the accounts audited under the respective State Laws.

In order to mitigate the genuine hardship to the assesseees, the Board, in exercise of its powers conferred under section 119 of the Act, hereby extends the applicability of Circular No.13/2023 dated 26.07.2023 to the AY 2023-24, subject to the conditions stipulated therein.

– [Circular No. - 14/2024]





Revised Criteria for classification of non-company entities for applicability of Accounting Standards

The Council, at its 433rd meeting, held on August 13 to August 15, 2024, considered the revised criteria for classification of non-company entities for applicability of Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to Non-company entities (Enterprises) and recommended to revise the same. The revised scheme for applicability of Accounting Standards to Non-company entities shall come into effect in respect of accounting periods commencing on or after April 1, 2024, which is as under:

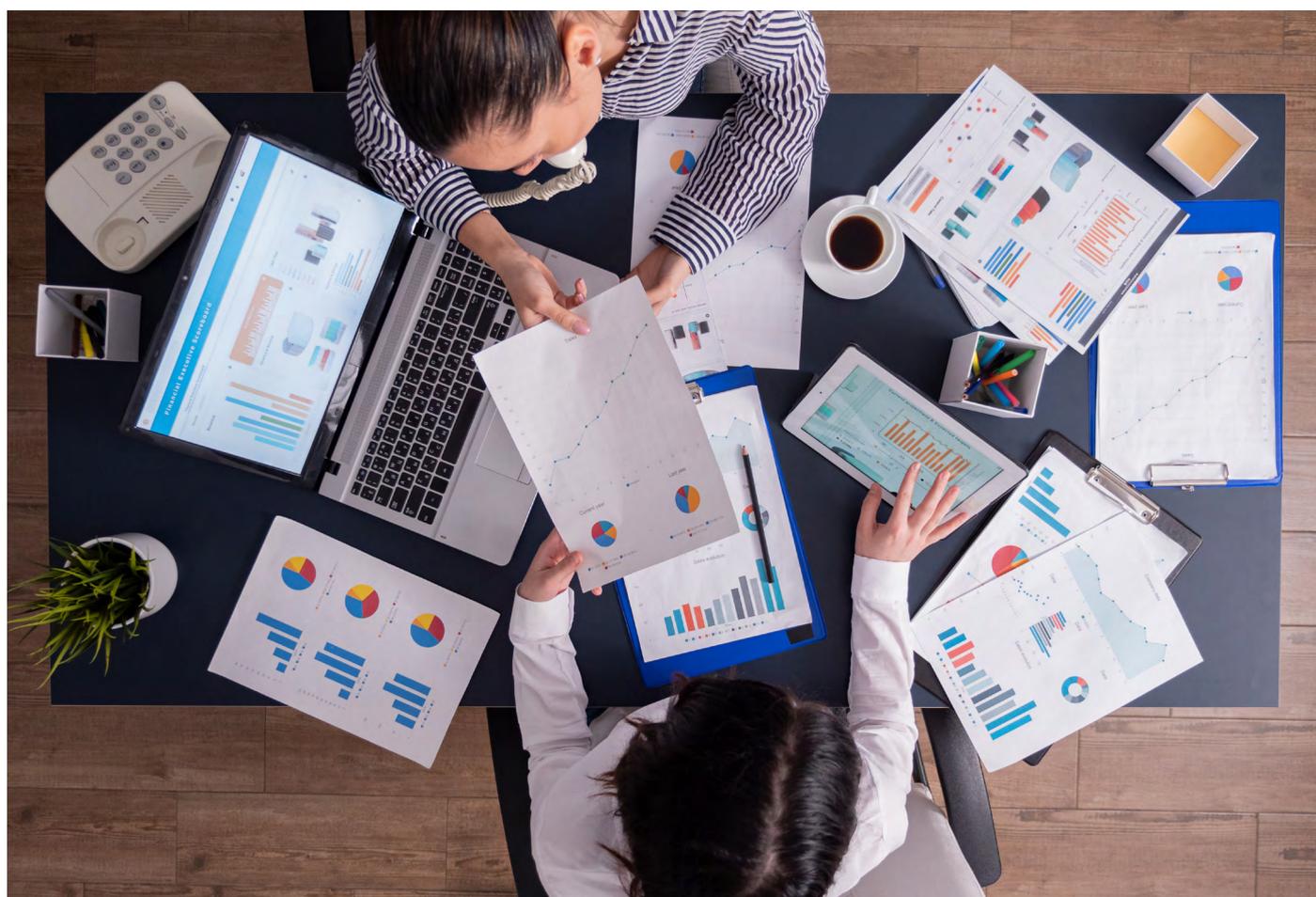
1. For the purpose of applicability of Accounting Standards, Non-company entities are classified into two categories, viz., Micro, Small and Medium Sized Entities (MSMEs) and large entities.
2. Micro, Small and Medium Sized Entity (MSME) means, a non-company entity:
 - a. whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;
 - b. which is not a bank, financial institution or an insurance company;
 - c. whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year;
 - d. which does not have borrowings in excess of fifty crore rupees at any time during the immediately preceding accounting year; and
 - e. which is not a holding or subsidiary of an entity which is not a micro, small and medium-sized entity.

Explanation- For the purposes of this clause, a non-company entity shall qualify as a Micro, Small and Medium Sized entity, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

Large entity is a non-company entity that is not an MSME.

A large entity is required to comply in full with all the accounting standards. Whereas MSME is required to comply accounting standards in following manners:

<p>Full Exemption</p>	<p>AS 3, AS 17 and AS 24 – Not applicable AS 18 and AS 28 – Not applicable if MSME</p> <ol style="list-style-type: none"> a. whose turnover (excluding other income) does not exceed rupees fifty crore in the immediately preceding accounting year; b. which does not have borrowings in excess of rupees ten crore at any time during the immediately preceding accounting year; and c. which is not a Holding and subsidiary of an MSME not covered above
<p>Partial Exemption</p>	<p>AS 10, AS 11, AS 15, AS 19, AS 22, AS 26, AS 28 and AS 29</p>
<p>Applicable only if there is transaction/event related to</p>	<p>AS 14, AS 23, AS 25 and AS 27</p>





We are a team of distinguished Business Advisors, Chartered Accountants, Tax Consultants, Company Secretaries, Management Accountants, Corporate Financial Advisors, Management consultants, Technology consultants and Forensic experts. We provide services in area of Business Intelligence Services, Taxation Services, Audit, Risk and Assurance Services, Outsourcing Services, Regulatory Services, Transaction Advisory Services, Doing Business in India and Start Up Services.

For further insights and updates, we invite you to explore our website at www.jpc.co.in
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