

**P G BHAGWAT LLP**

**10th December**

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# UPDATES November 2024

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# Updates

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## November 2024

P G BHAGWAT LLP (“PGB LLP”) is glad to release updates for the month of November 2024. The objective of these updates is to make you aware of the latest changes in auditing, accounting, taxes, labour laws etc. We hope these updates are useful to you to stay on top of the development in your field.

**“The Capacity to learn is a gift; the ability to learn is a skill; the willingness to learn is a choice.”**

For detailed information and / or queries, please do get in touch with us at [updates@pgbhagwatca.com](mailto:updates@pgbhagwatca.com).

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We compile only the most relevant & important updates and therefore urge to you go through them...



## 1. Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 9A/10/10B/10BB for Assessment Year 2018-19 and subsequent assessment years - Reg.

As per Notification no. F. No. 197/639/2024-ITA-I dated 18th November, 2024:

In supersession of all earlier Circulars/instructions issued by the Central Board of Direct Taxes (, CBDT') from time to time to deal with the applications for condonation of delay in filing Form 9A/10/10B/10BB for Assessment Year 2018-19 and subsequent assessment years, the CBDT in exercise of the powers conferred under section 119(2)(b) of the Income Tax Act ('the Act'), authorizes:

1.1 the Pr. Commissioners of Income Tax (,Pr. CsIT')/ Commissioners of Income Tax ('CsIT') to admit and deal with applications for condonation of delay in filing Form No. 9A/10/10B/10BB for Assessment Year 2018-19 and subsequent assessment years where there is a delay of up to 365 days.

1.2 the Pr. Chief Commissioners of Income Tax (Pr. CCsIT')/ Chief Commissioner of Income Tax ('CCsIT')/ Director Generals of Income Tax ('DGsIT') to admit and deal with applications for condonation of delay in filing Form No. 9A/10/10B/10BB for Assessment Year 2018-19 and subsequent assessment years where there is a delay of more than 365 days.



2. The Pr. CCsIT/ CCsIT/ Pr.CsIT/ CsIT while entertaining such applications for condonation of delay in filing Form No. 9A/10/10B/10BB, shall satisfy themselves that the applicant was prevented by reasonable cause from filing such Forms before the expiry of the time allowed and the case is of genuine hardship on merits.

2.1 Further, in respect of Form No. 10, the Pr. CCsIT/CCsIT/Pr.CsIT/CsIT as the case may be, shall also satisfy themselves that the amount accumulated or set apart has been invested or deposited in anyone or more of the forms or modes specified in sub-section (5) of section 11 of the Act.

3. No application for condonation of delay in filing of Form No. 9A/10/10B/10BB shall be entertained beyond three years from the end of the assessment year for which such application is made. The time limit for filing of such application within three years from the end of the assessment year will be applicable for application filed on or after the date of issue of this Circular. A condonation application should be disposed of, as far as possible, within six months from the end of the month in which such application is received by the Competent Authority.

4. The delegation of powers, as per para 1.1 & 1.2 of this Circular shall cover all such applications for condonation of delay under section 119(2)(b) of the Act which are pending as on date of issue of this Circular.

**Link:** [Click Here](#)



## 2. Condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in filing of Form No. 10-IC or Form No. 10-ID for Assessment Years 2020-21, 2021-22 and 2022-23-Reg.

As per Notification no. F.No. 173/32/2022-ITA-I dated 18th November, 2024:

In exercise of the powers conferred under section 119(2)(b) of the Income-tax Act, 1961 ('the Act'), the Central Board of Direct Taxes ('CBDT') by Circular No. 6/2022 dated 17.03.2022 and Circular No. 19/2023 dated 23.10.2023 condoned the delay in filing of Form No.10-IC as per Rule 21AE of the Income-tax Rules, 1962 ('the Rules') for Assessment Years 2020-21 and 2021-22 in cases where the conditions mentioned in the said Circulars are satisfied.

2. Representations have been received by the CBDT stating that Form No. 10-IC or Form No. 10-ID could not be filed for various assessment years on or before the due date or extended due date, as the case may be. It has been requested that the delay in filing of these Forms for respective assessment years may be condoned.

3. With a view to avoid genuine hardship to the asses sees in exercising the option, under section 115BAA of the Act read with Rule 21AE of the Rules or under section 115BAB of the Act read with Rule 21AF of the Rules, the CBDT in exercise of the powers conferred under section 119(2)(b) of the Act, hereby authorizes: -



a) the Pr. Commissioners of Income Tax (,Pr. CsIT')/ Commissioners of Income Tax ('CsIT') to admit and deal with the applications for condonation of delay in filing of Form No. 10-IC or Form No. IO-ID for Assessment Years 2020-21 , 2021-22 and 2022-23 where there is a delay of up to 365 days.

b) the Pr. Chief Commissioners of Income Tax (Pr. CCsIT')/ Chief Commissioners of Income Tax ('CCsIT')/ Directors General of Income Tax ('DsGIT') to admit and deal with the applications for condonation of delay in filing of Form No. 10-IC or Form No. 10-ID for Assessment Years 2020-21 , 2021-22 and 2022-23 where there is a delay of more than 365 days.

4. The Pr. CCsIT/ CsIT/ DsGIT/Pr CsIT/ CsIT while deciding such applications for condonation of delay in furnishing of Form No. 10-IC or Form No. 10-ID to exercise the option, under section 115BAA of the Act read with Rule 21AE of the Rules or under section 115BAB of the Act read with Rule 21AF of the Rules, shall satisfy themselves that the applicant's case is a fit case for condonation under the existing provisions of the Act. The Pr.CCsIT/ CCsIT/DsGIT/ Pr.CsIT/ CsIT shall ensure that the following conditions are satisfied, while deciding such applications.

i) The return of income for relevant assessment year has been filed on or before the due date specified under section 139(1) of the Act;



ii) The assessee has opted for taxation, u/s 115BAA of the Act in case condonation of delay is for Form No. 10-IC and u/s 115BAB of the Act in case condonation of delay is for Form No. 10-ID, in "Filing Status" in "Part A-GEN" of the Form of Return of Income ITR-6; and

iii) The assessee was prevented by reasonable cause from filing such Form before the expiry of the time allowed and the case is of genuine hardship on merits.

5. No application for condonation of delay in filing of Form No. 10-IC or Form No. 10-ID shall be entertained beyond three years from the end of the assessment year for which such application is made. The time limit for filing of such application within three years from the end of the assessment year will be applicable for application filed on or after the date of issue of this Circular. A condonation application should be disposed of, as far as possible, within six months from the end of the month in which such application is received by the Competent Authority

6. The delegation of powers, as per para 3 of this Circular shall cover all such applications for condonation of delay under section 119(2)(b) of the Act which are pending as on date of issue of this Circular.

**Link:** [Click Here](#)



## 1. Advisory for Form GST DRC-03A

1. It has been observed that some taxpayers have paid the demanded amount vide DRC 07/DRC 08/MOV 09/MOV 11/APL 04 through DRC-03 instead of using payment facility 'Payment towards demand' available on GST portal. This led to a situation where demand has been paid by the taxpayer, however the demand is not closed in the electronic liability register. To address this issue, the government has notified a new form named GST DRC-03A which was notified vide Notification No. 12/2024 dated. 10th July 2024.
2. Accordingly, GSTN has developed the new Form GST DRC-03A on GST portal which is available now to adjust the paid amount through DRC-03 against the corresponding demand order. Therefore, it is advised to the taxpayers to use the DRC-03A form to link the payment made vide DRC-03 with the demand order. Only DRC-03 forms where the cause of payment is either 'Voluntary' or 'Others' can be used in the Form GST DRC-03A.
3. Taxpayers will be required to enter the ARN of the DRC-03 along with the relevant demand order number on the portal. Upon entering the ARN and selecting the demand order number of any outstanding demand, the system will auto-populate relevant information of the DRC-03 form as well as from the specified demand order against which the payment is to be adjusted.



4. Once the adjustment is made, corresponding entries will automatically be posted in the taxpayer's liability ledger to reflect the updated status of demands.

*Link :* [Click Here](#)





## 1. Revised Criteria for classification of Non-company entities for applicability of Accounting Standards

### Revised Criteria for classification of Non-company entities for applicability of Accounting Standards

The Council, at its 433rd meeting, held on August 13-15, 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:
  - (i) 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;
  - (ii) which is not a bank, financial institution or an insurance company;
  - (iii) whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year.



(iv) which does not have borrowings in excess of fifty crore rupees at any time during the immediately preceding accounting year; and

(v) 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. The terms 'Small and Medium Enterprise' and 'SME' used in Accounting Standards shall be read as 'Micro, Small and Medium size entity' and 'MSME', respectively. Further, the terms Level II, Level III and Level IV entities used in Accounting Standards shall be read as 'Micro, Small and Medium Sized Entity' and Level I entity shall be read as a 'Large' entity.

3. Large entities are required to comply in full with all the Accounting Standards.

4. Certain exemptions/relaxations have been provided to Micro, Small and Medium sized Entity (MSMEs). Applicability of Accounting Standards and exemptions/relaxations to such entities are given in Annexure 1 (which can be referred in link)

5. This Announcement supersedes the earlier Announcement of the ICAI on 'Criteria for classification of Non-company entities for applicability of Accounting Standards issued in March 2021'.

6. This Announcement is not relevant for Non-company entities which may be required to follow Indian Accounting Standards (Ind AS) or Accounting Standards (AS) as per relevant regulatory requirements applicable to such entities.

*Link :* [Click Here](#)

