

SPCM & ASSOCIATES

Chartered Accountants




SPCM
LEGAL





SAMĂCĂRA JANUARY 2025



SAMĀCĀRA – JANUARY 2025

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SAMĀCĀRA – JANUARY 2025

INDEX

SR. NO.	PARTICULARS	PAGE NO.
1.	Editorial	05-07
2.	Glimpse of Events	08-10
3.	Income Tax, PF and ESIC due date calendar for the month of January, 2025	12-12
4.	GST due dates for the month of January, 2025	13-14
5.	Tax Audit: Chapter 5	15-22
6.	Gist of GST Notification	23-23
7.	Gist of GST Circulars	23-24
8.	GST Updates	25-28
9.	Understanding Undervalued Markets.	29-33

SAMĀCĀRA – JANUARY 2025

EDITORIAL

Dear All,

A warm welcome to the first edition of our newsletter for 2025! As we embark on this new year, it's a time to celebrate past achievements while embracing the exciting opportunities that lie ahead. At SPCM & Associates, we remain deeply committed to excellence, client-centricity, and innovation as we continue our journey of growth and collaboration with our clients and team members.

With the Union Budget around the corner, the anticipation of changes is palpable among businesses and individuals alike. In this edition, we provide insights into its expected impact on taxpayers and the government. Our article on this topic, published in Hindi in Aaj Ka Anand, offers a detailed analysis.

Additionally, the Central Board of Direct Taxes (CBDT) has extended the deadline for the Direct Tax Vivad Se Vishwas (DTVSV) Scheme 2024. This extension presents a valuable opportunity for taxpayers to resolve disputes and ensure compliance, reducing litigation while fostering financial peace of mind. We encourage stakeholders to make the most of this extension.

As the financial landscape becomes increasingly digital, audits are evolving. Our spotlight this month highlights the integration of AI and data analytics in auditing processes, ensuring greater accuracy, efficiency, and enhanced value for stakeholders. This marks a significant shift in how audits are

conducted, enabling us to meet the demands of a dynamic and technologically advanced world.

December 2024 brought promising news for the economy, with GST collections reaching a record ₹1.77 lakh crore—an impressive 7.3% increase from December 2023. This growth reflects robust economic activity, enhanced compliance, and the impact of digital initiatives. As a firm, we applaud this milestone and stand ready to assist businesses in navigating GST complexities effectively.

We are thrilled to congratulate eight talented students from the SPCM family who successfully cleared their CA Final examinations in December 2024. Their dedication and perseverance have led to this remarkable accomplishment. We are immensely proud of their success and look forward to their contributions to our profession and firm.

December also witnessed the much-anticipated SPCM Sports Day, a vibrant event filled with energy, enthusiasm, and healthy competition. This memorable day reinforced the importance of camaraderie, teamwork, and work-life balance—a true reflection of our firm's ethos.

The month of January ushers in a season of festivities across the country. From the joyous celebrations of Makar Sankranti and Pongal to the patriotic pride of Republic Day, this time of year brings unity, gratitude, and renewal. We extend our heartfelt wishes for a season filled with happiness and meaningful connections.

As we look to the future, SPCM & Associates aspire to elevate our legacy of excellence by delivering innovative, client-focused solutions tailored to diverse industries. Through quality, efficiency, and cutting-edge technology, we aim to empower our clients to overcome challenges, seize opportunities, and achieve their financial aspirations with confidence.

As we embark on this journey into 2025, we extend our deepest gratitude to our clients, associates, and team members for their unwavering trust and dedication. Together, let us strive for greater heights and make this year truly remarkable.

Let me leave you with the inspiring words of Abraham Lincoln: “The best way to predict the future is to create it.”

Wishing you a prosperous and fulfilling new year!

Thanking You,
With Warm Regards,



CA. Suhas P. Bora
Founder Partner,
SPCM and Associates,
Chartered Accountants



GLIMPSE OF EVENTS

Our Mentor, CA Suhas P. Bora sir's insightful contribution in the Aaj Ka Anand Newspaper.

पृष्ठ 6 पुणे गुस्वार, 2 जनवरी 2025 पुणे शहर व अन्य आज का आनंद

आयकर छूट सीमा बढ़ाने से होंगे आर्थिक और सामाजिक प्रभाव

सुप्रसिद्ध CA सुहास पी. बोरा ने व्यक्ति की राय : मध्यमवर्गीय परिवारों के लिए क्रय शक्ति में वृद्धि होगी

शिवाजीनगर, 1 जनवरी (आज का आनंद न्यूज नेटवर्क) मूल आयकर छूट सीमा को 20 लाख रुपये तक बढ़ाने का विरलेषण महत्वपूर्ण आर्थिक और सामाजिक प्रभाव हो सकता है, इससे मध्यमवर्गीय परिवारों के लिए खर्च योग्य आय में वृद्धि तथा क्रय शक्ति में वृद्धि होगी, ऐसे विचार सुप्रसिद्ध चार्टर्ड एकाउंटेंट सुहास पी. बोरा ने व्यक्त किए हैं, उनका कहना है कि उच्च छूट सीमा से मध्यम वर्ग के परिवारों पर कर का बोझ कम हो जाएगा, जिससे उनके पास अधिक खर्च करने योग्य आय होगी, इससे परिवार उपभोक्ता बस्तुओं, सेवाओं और निवेश पर अधिक खर्च कर सकेंगे, ऐसे शब्दों में सुप्रसिद्ध सीए सुहास बोरा कहते हैं कि वित्तीय तनाव कम होने से परिवारों को स्वास्थ्य देखभाल, शिक्षा और अवकाश के लिए अधिक संसाधन आवंटित करने की अनुमति मिल सकती है, जिससे जीवन स्तर में समग्र सुधार होगा।

मध्यमवर्गीय परिवारों द्वारा खर्च बढ़ाने से रिटेल एंटरटेन, ऑटोमोबाइल, इन्फ्रामनीजी और रिटेल जैसे क्षेत्रों में

खपत और वचत में वृद्धि के माध्यम से आर्थिक विकास को बढ़ावा
 बुनियादी आयकर छूट सीमा को 20 लाख तक बढ़ाने से मध्यमवर्गीय परिवारों की क्रय शक्ति में उल्लेखनीय वृद्धि होगी, जिससे खपत और वचत में वृद्धि के माध्यम से आर्थिक विकास को बढ़ावा मिलेगा। जीएसटी के तहत पेट्रोल और डीजल को शामिल करने के साथ, यह कदम परिचलन और रसद लागत को कम करने मुद्रास्फीति के दबाव को कम कर सकता है। साथ में, ये उपाय परिवारों को बहुत आवश्यक वित्तीय राहत प्रदान करेंगे, प्रमुख क्षेत्रों में मांग को प्रोत्साहित करेंगे और अधिक मजबूत और समावेशी अर्थव्यवस्था का मार्ग प्रशस्त करेंगे।
 - सुहास पी. बोरा, चार्टर्ड एकाउंटेंट, पुणे

अल्पकालिक राजस्व हानि की संभावना
 सीए सुहास पी. बोरा कहते हैं, बड़ी हुई छूट सीमा को देखते हुए सरकार को बुराआल में प्रत्यक्ष कर संग्रह में कमी का सामना करना पड़ सकता है, लेकिन, खपत बढ़ने से अप्रत्यक्ष कर संग्रह (जीएसटी) को बढ़ावा मिल सकता है, जिससे संभावित रूप से प्रत्यक्ष करों से होने वाले नुकसान की भरपाई हो सकती है। समय के साथ, एक अधिक मजबूत अर्थव्यवस्था उच्च अप्रत्यक्ष कर संग्रह और कॉर्पोरेट कर भुगतान में वृद्धि के माध्यम से संग्रह कर राजस्व में वृद्धि कर सकती है। उच्च छूट सीमा से मध्यमवर्गीय परिवारों को राहत मिलेगी, जिससे आय समूहों के बीच अंतर को पाटने में मदद मिलेगी। परिवार अधिक वचत या निवेश कर सकते हैं, जिससे मध्यम वर्ग में वित्तीय सुरक्षा और धन संग्रह में सुधार होगा। यदि आपूर्ति मांग के अनुरूप नहीं रहती है तो खपत बढ़ने से महंगाई का दबाव बढ़ सकता है, इसे उत्पादन और आपूर्ति श्रृंखला दहला को बढ़ावा देने वाली नीतियों के माध्यम से प्रभावित करने की आवश्यकता होगी।

उच्च कर छूट से बड़ी हुई डिस्पोनेबल आय के सकारात्मक प्रभावों को बढ़ाएगी, जिससे यह सुनिश्चित होगा कि मध्यम वर्ग की क्रय शक्ति संरक्षित और प्रभावी ढंग से उपयोग की जाती है। ईंधन को जीएसटी में एकीकृत करके, सरकार आर्थिक विकास का समर्थन करते हुए और घरेलू खर्चों को स्थिर करते हुए बड़ी हुई खपत से जुड़े मुद्रास्फीति के जोखिम को कम कर सकती है।

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उच्च कर छूट से बड़ी हुई डिस्पोनेबल आय के सकारात्मक प्रभावों को बढ़ाएगी, जिससे यह सुनिश्चित होगा कि मध्यम वर्ग की क्रय शक्ति संरक्षित और प्रभावी ढंग से उपयोग की जाती है। ईंधन को जीएसटी में एकीकृत करके, सरकार आर्थिक विकास का समर्थन करते हुए और घरेलू खर्चों को स्थिर करते हुए बड़ी हुई खपत से जुड़े मुद्रास्फीति के जोखिम को कम कर सकती है।

स्विमिंग पूलों के निजीकरण में टेकेदारों को पहुंचाया लाभ !
 पिंपरी, 1 जनवरी (आ.प्र.) शहर के 10 सार्वजनिक जलतण तालाबों (स्विमिंग पूल) के निजीकरण में निविदा (टेंडर) की शर्तों और नियमों में बदलाव कर टेकेदारों को अनुचित लाभ पहुंचाया गया है, अधिकारियों और टेकेदारों ने आपसी मिलीभगत में तालाब प्रादेशीय टेकेदारों को सौंप दिए हैं, भविष्य में टिकट दरों में वृद्धि होने की संभावना है। इस कारण से वह निजीकरण रद्द किया जाए, ऐसी मांग साई सोशल नेटवर्क फाउंडेशन के अध्यक्ष फिरोज खान ने की है। खान ने इस संबंध में मन्ना आनुक एवं प्रशासक शेख सिंह और क्रीड़ा विभाग के उपयुक्त पंचक पाटिल को शिकायत दी है, खान ने शिकायत में कहा है कि मन्ना के क्रीड़ा विभाग ने शहर के सभाजीनगर, बडमखवाडी, वसुनानगर, पिंपले गुरव भोसमी, पिंपरी गांव, सांगवी, कासारवाडी, नेहलनगर और बेरांग के 10 जलतण तालाबों के संचालन के लिए निविदा प्रक्रिया चलाई थी, हालांकि, मूल निविदा (टेंडर) की शर्तों और नियमों में बदलाव कर अधिकोश तालाब चलेते टेकेदारों को सौंप दिए गए हैं, इस कारण निविदा प्रक्रिया में पारदर्शिता का अभाव नजर आ रहा है।
 खान ने आरोप लगाया है कि अधिकारियों और टेकेदारों ने आपसी मिलीभगत से यह प्रक्रिया पूरी की है, इसका परिणाम यह हो कि भविष्य में टिकट दरों में वृद्धि होगी।

SPCM Sports Day, 2024







WE ARE PROUD OF OUR STUDENTS



CA Qualified:

1. CA Samyak Jain (**AIR 19**)
2. CA Shrushti Jain
3. CA Tarun Jadon
4. CA Purva Raka
5. CA Shivam Thakkar
6. CA Riddhi Parmar
7. CA Pratham Bumb
8. CA Shrushti Dalvi

CA Final - one group cleared:

1. Ayush Kothari



DUE DATES

Income Tax, PF and ESIC due date calendar for the month of January 2025:

DATE	DUE DATE FOR
07-01-2025	<ul style="list-style-type: none"> • Deposit of Tax deducted/collected for the month of December, 2024. • Deposit of TDS for the period October 2024 to December 2024 when Assessing Officer has permitted quarterly deposit of TDS under Sections 192, 194A, 194D or 194H
14-01-2025	<ul style="list-style-type: none"> • Issue of TDS Certificate for tax deducted under section 194-IA, 194IB, 194M and 194S in the month of November, 2024
15-01-2025	<ul style="list-style-type: none"> • Furnishing of Form 24G by an office of the Government where TDS/TCS for the month of December, 2024 has been paid without the production of a challan. • Quarterly statement of TCS for the quarter ending December 31, 2024 • Furnishing of Form 15G/15H declarations received during the quarter ending December, 2024



DATE	DUE DATE FOR
	<ul style="list-style-type: none"> Filing of belated/revised return of income for the assessment year 2024-25 for resident individuals (provided assessment has not been completed before December 31, 2024) Payment of ESI Contribution for the month of December, 2024. Payment of PF for the month of December, 2024.
30-01-2025	<ul style="list-style-type: none"> Quarterly TCS certificate in respect of quarter ending December 31, 2024. Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194IB, 194M and 194S in the month of December, 2024
31-01-2025	<ul style="list-style-type: none"> Quarterly statement of TDS for the quarter ending December 31, 2024 Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending December 31, 2024

GST due dates for the month January 2025: -

DUE DATE	RETURN	PERIOD	DESCRIPTION
10 th January	GSTR-7 (Monthly)	December'24	Summary of Tax Deducted at Source (TDS) and deposited under GST laws.
10 th January	GSTR-8 (Monthly)	December'24	Summary of Tax Collected at Source (TCS) and deposited by E-commerce operators under GST laws.
11 th January	GSTR-1 (Monthly)	December'24	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of October-December 2024.
13 th January	GSTR-6	December'24	Details of ITC received and distributed by ISD.
13 th January	GSTR-5 (Monthly)	December'24	Summary of outward taxable supplies & tax payable by a non-resident taxable person.
13 th January	GSTR-1 (Quarterly)	October- December 2024	Taxpayers who have opted for Quarterly filing as per QRMP scheme for the quarter of October-December 2024.
18 th January	CMP -08	October- December 2024	Form to declare the details or summary of self-assessed tax which is payable for a given quarter by taxpayers who are registered as composition taxable person or taxpayer who have opted for composition levy.



DUE DATE	RETURN	PERIOD	DESCRIPTION
20 th January	GSTR-3B (Monthly)	December'24	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of October-December 2024.
20 th January	GSTR-5A (Monthly)	December'24	Summary of outward taxable supplies and tax payable by OIDAR.
22 or 24 th January (As applicable)	GSTR-3B (Quarterly)	October- December 2024	Taxpayers who have opted for Quarterly filing as per QRMP scheme for the quarter of October-December 2024.

**INCOME TAX****TAX AUDIT: CHAPTER 5****TAX AUDIT - CLAUSE 13 OF FORM NO. 3 CD**

We have started with a series on Tax Audit u/s 44AB of the Act considering practical aspects to be taken care of for issue of the Tax Audit reports as applicable for AY 2024-25.

In chapter - 1 we discussed about the applicability of Tax Audit u/s 44AB of the Income Tax Act.

In chapter - 2 we discussed about the meaning of the terms "Sales", "Turnover" and "Gross Receipts".

In chapter – 3 we discussed about " Clauses 1 to 8A of Form No. 3 CD."

In chapter – 4 we discussed about "Clauses 9 to 12 of Form No. 3 CD"

In the series of Article on Tax Audit provisions, we will discuss about "Clause 13 of Form No. 3 CD"

Clause 13:**Clause 13(a) - Method of accounting employed in the previous year**

- Information is to be given about the method of accounting followed by the assessee during the previous year.

- The same can be either cash method or mercantile method.
- Companies are mandatorily required to follow mercantile basis of accounting.
- In case of other assesses like LLP, Sole Proprietorship, Partnership, Societies, Trust, HUF, etc. have an option to follow either cash or mercantile basis of accounting unless the statute governing the enterprise requires a particular method of accounting.

Clause 13(b) - Whether there had been any change in the method of accounting employed vis-a- vis the method employed in the immediately preceding previous year

- Compare the method of accounting employed in previous year with preceding previous year, to know if there is any deviation in the same. (in case of company method of accounting can't differ in any year)
- In case of any change furnish the details of such change choosing yes or no.

13(c) - If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss

- In case of any change furnish the details of such change and its effect on profit or loss.
- In case such change is not quantifiable then appropriate facts need to be disclosed.

Clause 13(d) (ICDS) - Whether any adjustment is required to be made to the profits or loss for complying with the ICDS notified u/s 145(2)

- Report whether any adjustment is required on profit/loss as per the

ICDS notified u/s 145(2). Income Computation and Disclosure Standards (ICDS) have been notified u/s 145(2) of the Income Tax Act, 1961 vide Notification No. S.O. 3079 (E) dated 29th September 2016.

- Certain sections of the Income-tax Act, 1961 has been amended / inserted with retrospective effect from AY 2017-18 to nullify the Delhi High Court decision in this matter.
- ICDS is not applicable to person following cash system of accounting. If assessee is following cash system of accounting, then clauses 13(d), (e) and (f) would not be applicable to it.
- ICDS is also applicable to incomes chargeable to tax on gross basis (interest, royalty and fee for technical services) u/s 115A.

Clause 13(e) - Is, yes, give details

- Clause 13(e) requires ICDS-wise reporting of the adjustments made in profit or loss for ICDS compliance, showing clearly increase/ decrease in profits as well as the overall net effect of such adjustments.
- If assessee is following cash system of accounting, then this clause would not be applicable to it.

Clause 13(f) - Disclosure as per ICDS

- Clause 13(f) requires reporting of the ICDS-wise disclosures. The disclosures are required in 8 out of 10 Standards. Disclosures are to be given as required by the specific standard.
- If assessee is following cash system of accounting, then this clause would not be applicable to it.
- Disclosures generally would not be similar for all persons and would vary from person to person. Contained hereafter are certain draft disclosures, which may be chosen and amended by the assessee as per the requirement of the person under tax audit.



ICDS No.	ICDS Name	Disclosure Requirement as per ICDS	Draft Disclosures for Clause 13(f) in Form 3CD
I	Accounting Policies	<ul style="list-style-type: none"> All Significant Accounting Policies adopted by a person shall be disclosed. If fundamental accounting assumptions of going concern, consistency and accrual not followed, specific disclosure is required. 	<ul style="list-style-type: none"> Refer Significant Accounting Policies mentioned at Note No. _ to Financial Statements Marked to Market Loss / Expected Loss is to be disallowed u/s 40A, hence not adjusted in ICDS
II	Valuation of Inventories	<ul style="list-style-type: none"> Accounting Policies adopted in measuring inventories including the cost formulae used. Where Standard Costing has been used as a measurement of cost, details of such inventories and a confirmation of the fact that standard cost approximates the actual cost; and Total carrying amount of inventories and its classification appropriate to a person. 	<ul style="list-style-type: none"> Refer to Note No. _ to Financial Statements (Significant Accounting Policy for Inventories) Assessee is following Standard Costing as a measurement of cost, and that approximates the actual cost (If Standard Costing is being followed as measurement of cost) Inventories are not inclusive of duties and taxes, yet there is no effect on profits u/s 145A, refer to Cl. 14(b) of Form 3CD Difference over cost to NRV in case of dissolution of firm is to be disclosed u/s 145A, hence not disclosed in ICDS For carrying amount & Classification refer Note No. to Balance Sheet



ICDS No.	ICDS Name	Disclosure Requirement as per ICDS	Draft Disclosures for Clause 13(f) in Form 3CD (Inventories)
III	Construction Contracts	<ul style="list-style-type: none"> The amount of contract revenue recognised as revenue in the period; and The methods used to determine the stage of completion of contracts in progress. For contracts in progress at the reporting date, namely:— <ul style="list-style-type: none"> Amount of costs incurred and recognised profits (less recognised losses) upto the reporting date; Amount of advances received; and Amount of retentions. 	<ul style="list-style-type: none"> Refer to Note No. _ to the Financial Statements (Significant Accounting Policy for Revenue Recognition) For amount of contract revenue recognised as revenue in the period refer Note No. _ of Statement of Profit & Loss (Construction Revenue) For contracts in progress at year end refer Note No. _ to Financial Statements (Note for contracts in progress at year end)
IV	Revenue Recognition	<ul style="list-style-type: none"> In a transaction involving sale of good, total amount not recognised as revenue during PY due to lack of reasonably certainty of its ultimate collection along with nature of uncertainty; Amount of revenue from service transaction recognized as revenue during the PY; Method used to determine the stage of completion of service transactions in 	<ul style="list-style-type: none"> Refer Note No. _ to the Financial Statements (Significant Accounting Policy for Revenue Recognition) For amount of revenue from service transactions recognised as revenue during the PY refer Note No. _ of Statement of Profit & Loss



ICDS No.	ICDS Name	Disclosure Requirement as per ICDS	Draft Disclosures for Clause 13(f) in Form 3CD
		<p>progress; and</p> <ul style="list-style-type: none"> For service transactions in progress at end of PY: <ul style="list-style-type: none"> Amount of costs incurred and recognised profits (less recognised losses) upto end of PY; Amount of advances received; and Amount of retentions. 	
V	Tangible Fixed Assets	<ul style="list-style-type: none"> Description of asset or block of assets; Rate of depreciation; Actual cost or WDV, as the case may be; Additions or deductions during the year with dates; in the case of any addition of an asset, date put to use; including adjustments on account of— <ul style="list-style-type: none"> CENVAT credit claimed and allowed under CENVAT Credit Rules, 2004; Change in rate of exchange of currency; Subsidy or grant or reimbursement, by whatever name called; Depreciation Allowable; and Written down value at the end of year. 	<ul style="list-style-type: none"> Refer to the Cl. 18 of Form 3CD Depreciation effect due to change in rates as per books and IT Act is to be taken as per S. 32 in computation of income hence not disclosed in ICDS (In case of companies only)
VII	Government Grants	<ul style="list-style-type: none"> Nature and extent of Government grants recognised during the previous year by way of deduction from the actual 	<p>Nature and extent of Government grants recognised during PY:</p> <ul style="list-style-type: none"> By way of deduction from actual cost of the asset or



ICDS No.	ICDS Name	Disclosure Requirement as per ICDS	Draft Disclosures for Clause 13(f) in Form 3CD
		<p>cost of the asset or assets or from the written down value of block of assets during the previous year;</p> <ul style="list-style-type: none"> • Nature and extent of Government grants recognised during the previous year as income; • Nature and extent of Government grants not recognised during the previous year by way of deduction from the actual cost of the asset or assets or from the written down value of block of assets and reasons thereof; and • Nature and extent of Government grants not recognised during the previous year as income and reasons thereof. 	<p>assets or from the WDV of block of assets during the PY;</p> <ul style="list-style-type: none"> • As income; • By way of deduction from actual cost of asset(s) or from WDV of block of assets and reasons thereof; • Not recognised during the PY as income and reasons thereof.
IX	Borrowing Costs	<ul style="list-style-type: none"> • Accounting policy adopted for borrowing costs • Amount of borrowing costs capitalised during the previous year. 	<ul style="list-style-type: none"> • Refer to the Significant Accounting Policies mentioned at Note No. _ to the Financial Statements (Significant Accounting Policy for Borrowing Costs) • For borrowing costs capitalised during the previous year (Refer note for borrowing costs capitalised during the previous year at year end)
X	Provisions, Contingent Liabilities & Contingent Assets	<ul style="list-style-type: none"> • In respect of each class of provisions: <ul style="list-style-type: none"> ○ Brief description of the nature of the obligation; ○ Carrying amount at the beginning and end of the 	<p>In respect of each class of provisions:</p> <ul style="list-style-type: none"> • Brief description of the nature of the obligation; Carrying amount at the



ICDS No.	ICDS Name	Disclosure Requirement as per ICDS	Draft Disclosures for Clause 13(f) in Form 3CD
		<p>PY;</p> <ul style="list-style-type: none"> ○ Additional provisions made during the PY, including increases to existing provisions; • Amounts used, that is incurred and charged against the provision, during the PY; <ul style="list-style-type: none"> ○ Unused amounts reversed during the PY; and ○ Amt. of any expected reimbursement, stating amt of asset that is recognised for that expected reimbursement. • In respect of Contingent Assets: <ul style="list-style-type: none"> ○ Brief description of the nature of the asset and related income; ○ Carrying amount of asset at the beginning and end of the PY; ○ Additional amount of asset and related income recognised during the year, including increases to assets and related income already recognised; and ○ Amount of asset and related income reversed during the PY. 	<p>beginning and end of the PY;</p> <ul style="list-style-type: none"> • Additional provisions made during the PY, including increases to existing provisions; • Amounts used, that is incurred and charged against the provision, during the PY • Unused amounts reversed during the PY; and • Amt. of any expected reimbursement, stating amt. of asset that is recognised for those expected reimbursements. <p>In respect of Contingent Assets:</p> <ul style="list-style-type: none"> • Brief description of the nature of the asset and related income; • Carrying amount of asset at the beginning and end of the PY; • Additional amount of asset and related income recognised during the year, including increases to assets and related income already recognised; and • Amount of asset and related income reversed during the PY

**GST****GIST OF GST NOTIFICATION**

NOTIFICATION NO	DATE	SUBJECT / HIGHLIGHTS
31/2024- Central Tax	13-12-2024	CBIC notified to appoint common adjudicating authority for Show cause notices issued by officers of DGGI.
30/2024- Central Tax	10-12-2024	CBIC has extended the due date for furnishing FORM GSTR-3B for the month of October, 2024 for registered persons whose principal place of business is in the district of Murshidabad in the state of West Bengal.

GIST OF GST CIRCULAR

CIRCULAR NO.	DATE	SUBJECT / HIGHLIGHTS
243/37/2024-GST	31-12-2024	Clarification on various issues pertaining to GST treatment of vouchers
242/36/2024-GST	31-12-2024	Clarification on place of supply of Online Services supplied by the suppliers of services to unregistered recipients



CIRCULAR NO.	DATE	SUBJECT / HIGHLIGHTS
241/35/2024-GST	31-12-2024	Clarification on availability of input tax credit as per clause (b) of sub-section (2) of section 16 of the Central Goods and Services Tax Act, 2017 in respect of goods which have been delivered by the supplier at his place of business under Ex-Works Contract.
240/34/2024-GST	31-12-2024	Clarification in respect of input tax credit availed by electronic commerce operators where services specified under Section 9(5) of Central Goods and Services Tax Act, 2017 are supplied through their platform.

GST UPDATES

1. Advisory on mandatory Sequential Filing of GSTR-7 Returns as per Notification No. 17/2024:

As per Notification No. 17/2024-Central Tax, dated 27th September 2024, effective from the 01.11.2024, GSTR-7 filing has been made sequential from the October tax period. Hence, GSTR-7 return is to be filed in chronological order, beginning with the return period of October 2024. It is pertinent to mention that for a month in which no deduction has been made, deductors need to file Nil return for the same month.

2. Updates to E-Way Bill and E-Invoice Systems:

- a) GSTN is announced that NIC will be rolling out updated versions of the E-Way Bill and E-Invoice Systems effective from 1st January 2025. These updates are aimed at enhancing the security of the portals, in line with best practices and government guidelines.

b) Multi-Factor Authentication (MFA):

The Multi-Factor Authentication (MFA) which requires login using a username, password, and OTP (sent to the registered mobile number, Sandes app, or similar platforms), is mandatory for taxpayers with an Annual Aggregate Turnover (AATO) exceeding Rs 100 Crores since 20th August 2023 and optional for those with AATO exceeding Rs 20 Crores since 11th September 2023.

From 1st January 2025, MFA has become mandatory for taxpayers with AATO exceeding Rs 20 Crores, from 1st February 2025 for those with

AATO exceeding Rs 5 Crores, and from 1st April 2025 for all other taxpayers and users.

The detailed instructions are available on the E-Invoice and E-Way Bill portals. It is advised to ensure that the registered mobile number is updated with your GSTIN.

c) Restricting the period of EWB generation from the date of base document:

The generation of E-Way Bills will be restricted to documents dated within 180 days from the date of generation. For instance, documents dated earlier than 5th July 2024 will not be eligible for E-Way Bill generation starting 1st January 2025.

d) Restricting the extension of EWB for specific time/period from the eWB generation date:

Furthermore, the extension of E-Way Bills will be limited to 360 days from their original date of generation. For example, an E-Way Bill generated on 1st January 2025 can only be extended up to 25th December 2025.

It is requested to familiarize themselves with these updates and incorporate the necessary adjustments into their compliance processes. For additional details, please visit the respective portals.

3. Advisory on difference in value of Table 8A and 8C of Annual Returns FY 23-24:

As per the Notification No 12/2024 Central Tax dated 10th July 2024 read with Notification No.20/2024-Central Tax Dated 8th October 2024, for FY 2023-24 onwards, the total credit available for inwards supplies shall be auto-populated in the table 8A of Form GSTR 9 from GSTR-2B of the FY 23-24. Further, in table 8C of Form GSTR-9 total value of ITC on inwards supplies received during the FY but availed in next FY up to specified period, need to be filled manually.

Wherein concerns have been raised regarding possible mismatch between the values of table 8A and 8C of Form GSTR-9 for FY 23-24. It is pertinent to mention that for FY 22-23 in table 8A of Form GSTR-9, values were getting auto populated from GSTR-2A however for FY 23-24 same are being auto populated from GSTR-2B. Therefore, to some extent, in Form GSTR-9 of FY 23-24, values in Table 8A will be inflated in respect of FY 22-23 at the same time values will be lower than expected in respect of FY 23-24, hence there will be a mismatch between the two tables i.e. 8A and 8C.

4. Advisory for Entry of RR No./eT-RRs in EWB system Post EWB-FOIS Integration

This advisory is being issued for the FOIS (Freight Operations Information System) of Indian Railways has now been integrated with the E-Way Bill (EWB) system via Application Programming Interfaces (APIs).

In light of this, it is important that taxpayers follow the correct process for entering RR no (Railway Receipt Number)/eT-RRs. into the EWB system. Adherence to the guidelines below will help avoid any potential discrepancies or mismatches.

- a) Applicability of RR No./eT-RRs Entry in the EWB System
- b) Updating Part-B of EWB for Rail Transportation

- c) 3. RR Number/eT-RRs for FOIS (Freight Operations Information System)
- d) WB and RR No./eT-RRs Validation.
- e) Importance of Accurate Entry

Ensure that the RR number/eT-RRs is entered correctly in the EWB system to allow smooth tracking and verification of goods being transported via Indian Railways. Accurate entry will also facilitate the validation process and avoid unnecessary delays or complications.

5. Guidelines for Accurate Entry of Receipt Numbers in the E-Way Bill (EWB) System for Leased Wagons:

This instruction focuses on the requirements specific to Leased Wagons.

- a) Prefixing Receipt Numbers in the EWB System
 - b) Updating Part-B of the EWB for Rail Transport
 - c) Format for Number Entry in the EWB System
 - d) Validation Process in the EWB System
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FINANCE AND VALUATIONS

UNDERSTANDING UNDERVALUED MARKETS

1. Introduction

In the last article, we explored the concept of overvalued markets, where asset prices exceed their intrinsic value, often leading to potential risks and market corrections. Building on that foundation, we will now understand undervalued markets, which present opportunities for investors by offering assets priced below their fair or intrinsic value. Understanding undervalued markets can uncover strategies to capitalize on these opportunities while managing associated risks.

2. Definition

An undervalued market exists when assets such as stocks, bonds, real estate, or commodities trade at prices significantly below their fair or intrinsic value. This underpricing may be due to temporary misjudgments by the market, lack of awareness, or external factors that obscure the asset's true worth. For investors, undervaluation signals potential opportunities for above-average returns if prices eventually reflect intrinsic value.

3. Key Characteristics of Undervalued Markets

a. Price Below Intrinsic Value:

- The core feature of undervalued markets is a gap between the market price and the intrinsic value determined through financial metrics, growth potential, or asset evaluations.

b. Favorable Valuation Metrics:

- **Low P/E Ratios:** Stocks with price-to-earnings ratios below sector averages or historical norms often indicate undervaluation.
- **High Dividend Yields:** Assets providing above-average dividend yields relative to their peers are frequently undervalued.
- **Discounted Cash Flow (DCF) Analysis:** A significantly lower present value of cash flows compared to the market price.

c. Market Perception and Sentiment:

- Negative market sentiment due to recent downturns, unfavorable news, or economic challenges often results in undervaluation, even for fundamentally strong assets.

d. Underperformance vs. Peers:

- Companies or assets trading at significant discounts compared to competitors, despite similar or better fundamentals, can indicate undervaluation.

Examples of Undervalued Assets

a. Case Study 1: Market Neglect

A small-cap company in the renewable energy sector might be undervalued due to a lack of analyst coverage or investor focus. Despite strong fundamentals and robust growth potential, it trades at a steep discount to industry peers.

b. Case Study 2: Overreaction to Bad News

Consider a tech firm facing temporary regulatory scrutiny. The market, fearing prolonged issues, might slash its valuation. If the underlying business remains solid, this misjudgment creates an undervalued opportunity.

4. Factors Contributing to Undervalued Markets

a. Economic Cycles:

- Economic downturns, recessions, or periods of low growth often result in undervalued markets, as pessimism reduces asset prices indiscriminately.

b. Geopolitical Events:

- Conflicts, trade wars, or political instability can depress markets, particularly in specific regions or sectors, creating undervalued opportunities.

c. Sector Neglect or Rotation:

- Investor focus often shifts between sectors (e.g., from technology to healthcare), leaving some undervalued as capital flows elsewhere.

d. Temporary Setbacks:

- Short-term issues such as supply chain disruptions, legal challenges, or cyclical declines can cause markets to undervalue otherwise robust assets.

e. Emerging Trends or Innovation:

- New technologies or industries are often undervalued until their potential is widely recognized (e.g., early-stage artificial intelligence firms in the 2010s).

5. Opportunities in Undervalued Markets

a. Capitalizing on Price Reversion:

- Market inefficiencies often correct themselves over time, allowing investors to benefit as prices align with intrinsic values.

b. Compounding Returns:

- Long-term investment in undervalued assets can yield significant compounding gains as businesses grow and markets recover.

c. Lower Downside Risk:

- Buying assets at a discount provides a cushion against market volatility, minimizing potential losses.

d. Enhanced Portfolio Diversification:

- Investing in undervalued assets across sectors or geographies allows for diversification, reducing overall risk.

6. Risks in Undervalued Markets

a. Value Traps:

- Not all undervalued assets recover. Some may remain depressed due to poor management, structural inefficiencies, or irreversible decline.

b. Misjudging Intrinsic Value:

- Incorrect assumptions about growth potential, earnings, or external conditions can lead to overestimating value.

c. Extended Recovery Periods:

- Undervalued markets often require time to realign with intrinsic value, demanding patience and long-term commitment from investors.

d. External Market Forces:

- Broader economic trends, interest rate changes, or shifts in global demand may delay or negate recovery in undervalued markets.

Case Studies and Illustrations

Example 1: Post-Crisis Recovery

Following the 2008 financial crisis, many global markets were undervalued due to widespread panic. Sectors like financial services and real estate, although fundamentally strong, traded at steep discounts. Patient investors who identified this undervaluation reaped substantial gains in subsequent years.

Example 2: Emerging Markets

Emerging economies like India or Brazil often experience undervaluation during periods of political instability or currency devaluation. Over time, as stability returns and growth resumes, these markets offer outsized returns for early entrants.

7. Strategies to Identify Undervalued Markets

a. Fundamental Analysis:

- Use valuation techniques such as DCF, P/E ratios, and book value to compare market prices with intrinsic worth.

b. Contrarian Investing:

- Look for assets in sectors or regions currently out of favor with the market, where sentiment is overly pessimistic.

c. Screening Tools:

- Use financial screeners to identify assets with low valuation metrics relative to peers or historical averages.

d. Macro Analysis:

- Assess macroeconomic indicators, such as GDP growth, inflation rates, or currency stability, to uncover undervalued opportunities in specific markets.

8. Conclusion

Undervalued markets represent unique opportunities for investors to acquire quality assets at discounted prices. Investors can unlock significant returns by analyzing the underlying factors, distinguishing between genuine opportunities and value traps, and maintaining a disciplined, long-term approach. However, success in undervalued markets requires thorough research, patience, and the ability to withstand short-term volatility. When properly navigated, undervalued markets enhance investment portfolios and contribute to efficient capital allocation and long-term wealth creation.

**THANK
YOU!**

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