



# E-Pistle

( Monthly Newsletter )

**JUNE 2024**





# TABLE OF CONTENTS

1. GST
2. INCOME TAX
3. MCA
4. June Compliance Dates (In July)

*“If you don't be updated & upgraded you will be outdated”*



**On June 22, 2024**, in New Delhi, the 53rd GST Council meeting took place, over eight months after the previous one. Nirmala Sitharaman, the recently appointed Union Finance Minister, presided over this meeting. Following the 2024 Lok Sabha elections, this is the GST Council's first meeting.

The agenda for this GST Council meeting contained a lot of items. Additionally, the Union FM met with several states and UTs for a pre-budget consultation prior to the GST Council meeting. Less than 1.96% of GST taxpayers (1,14,999 taxpayers) received notices under GST as of December 31, 2023, according to Union FM's clarification.



Council has approved the creation of a new form, GSTR-1A, with the functionality to enable taxpayers to add or modify information missing from GSTR-1 of the current tax period (IFF) for the first and second months of the quarter before filing GSTR-3B.

**TCS Rate Reduction:** In accordance with Section 52(1) of the CGST Act, Electronic Commerce Operators (ECOs) were required to collect Tax Collected at Source (TCS) at 1% (0.5% each under CGST and SGST/1% under IGST) on net taxable supplies. Reducing this to 0.5% (0.25% under CGST, 0.25% under SGST/UTGST, and 0.5% under IGST) is advised.

**GSTR-7 filing requirement:** Even in cases where no TDS is withheld, GSTR-7 filing is required. Reports must be made invoice-by-invoice, and there is no late cost associated with nil reporting.

**GSTR-9/9A filing applicability:** For taxpayers with an annual revenue of up to Rs. 2 crore, there would be no requirement to file an annual return in GSTR-9/9A for the fiscal year 2023–24.

**New Section 128A:** For demand letters issued under Section 73 of the CGST (applicable for fiscal years 17–18, 18–19, and 19–20) in circumstances that do not involve fraud, suppression, or misrepresentation, the GST Council has waived interest and penalties. It is applicable in situations where the taxpayer pays the notice's total amount by March 31, 2025.

The department is advised to file appeals before the GST Appellate Tribunal for a maximum of Rs. 20 lakh, the Human Rights Commission for a maximum of Rs. 1 crore, and the Supreme Court for a maximum of Rs. 2 crore.

Amending Sections 107 and 112: The maximum amount for pre-deposit for filing appeal before appellate authorities shall be reduced from Rs.25 crore under CGST and Rs.25 crore under SGST to Rs.20 crore respectively. Moreover, the amount of pre-deposit for appeal before the GST Appellate Tribunal has been reduced from 20% with a maximum amount of Rs.50 crores under CGST and Rs.50 crores under SGST to 10% with a maximum of Rs.20 crores under CGST and Rs.20 crores under SGST.

New Section 11A: This provision permits regularization of short- or non-levy GST in cases where widespread commercial practices were causing underpayment or nonpayment of tax.

## LATEST GST CIRCULAR

UPDATED ON



- As per Circular No. 218/12/2024 GST states that Interest or discount charged on loan amounts is exempt from GST under S. No. 27(a) of Notification dated 28 June 20175 . When no consideration is charged for processing, administering or facilitating a loan, processing fees, which are generally non-refundable, cover the administrative costs. For related entities, credit assessment may not be necessary, and the administrative costs may be absent, distinguishing these services from those provided by banks or independent lenders. Even between unrelated parties, administrative charges might be waived based on the relationship. Therefore, no service or supply exists between related persons for processing, administering or facilitating loans, and no GST is applicable as per section 7(1)(c) read with Schedule I of the CGST Act. However, when a fee is charged for processing, administering or facilitating a loan, it qualifies as consideration for the supply of services and is subject to GST.
- As per Circular No. 219/13/2024 GST has clarified the issue of availing ITC on ducts and manholes used in the network of OFC's which was denied as the same was said to be restricted in terms of sections 17(5)(c) and 17(5)(d) of the CGST Act. Now, it has been clarified that availing ITC on ducts and manholes used in the network of OFC's is not restricted in terms of the said section because of the following –

a. Ducts and manholes are basic components for the optical fibre network used in providing Telecommunication services.

b. Regarding the explanation to section 17 of the CGST Act, 2017, ducts and manholes are not specifically excluded from the definition of plant and machinery as they are neither in the nature of land, building or civil structures nor are they in the nature of telecommunication towers or pipelines laid outside factory.

c. Ducts and Manholes are in the nature of plant and machinery as they are used as part of the OFC network for making outward supply of the transmission of telecommunication signals.

- As per Circular No. 220/1/2024-GST clarifies the place of supply for custodial services provided by banks to FPIs. It states that these services should not be considered as services provided to 'account holders' under section 13(8)(a) of the IGST Act. The place of supply for such services should be determined under the default provision, which is sub-section (2) of section 13 of the IGST Act. The circular provides details on the definition of custodial services, the types of securities FPIs can invest in, and the main activity of banks in providing custodial services. The circular also specifies that similar provisions were there under the service tax regime.
- As per Circular No. 222/16/2024 GST clarifies the time of supply for the GST payment on spectrum allocation services when the telecom operator opts for deferred payment in instalments. The spectrum allocation service provided by the Department of Telecommunications (DoT) is treated as a continuous supply of services under section 2(33) of the CGST Act. The circular clarifies that the Frequency Assignment Letter issued by the DoT which details the auction results and payment options, is not considered as an invoice but a bid acceptance document. Hence, the GST liability arises at the time the instalment payments are due or made, whichever is earlier.

# Income Tax News Updates



- The ITR 3 validation rules (V 1.0) for Assessment Year (AY) 2024–2025 were made available on the official portal by the IT department on June 10. [Click](#)
- The Excel-based tool may be downloaded by individuals and HUFs, who can then use it to change the JSON schema for their ITR-3 file. [Link of Site](#)



## ▼ ITR 3

For individuals and HUFs having income from profits and gains of business or profession.

[Utility Excel Based](#) 📄 (Version 1.2) (10 MB)

Date of release of latest version of utility 05-Jul-2024

Date of release of first version of utility 09-May-2024

- The provisional figures of Direct Tax collections for the Financial Year 2024-25 (as on 17.06.2024) show that Net collections are at Rs. 4,62,664 crore, compared to Rs. 3,82,414 crore in the corresponding period of the preceding Financial Year (i.e. FY 2023-24), representing an increase of 20.99%. [Click](#)



- The ITR-5 utility for AY 2024-25 in Excel format is now available on the official portal. [Link of Site](#)

#### ▼ ITR 5

For persons other than- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7

**Utility** ⓘ (Version 1.1.1) ( 101 MB)

Date of release of latest version of utility 05-Jul-2024

Date of release of first version of utility 31-May-2024

**Utility for MAC** ⓘ (Version 1.1.1) (118 MB)

Date of release of latest version of utility 05-Jul-2024

Date of release of first version of utility 31-May-2024

**Utility Excel Based** ⓘ (Version 1.2) (14.4 MB)

Date of release of latest version of utility 12-Jul-2024

Date of release of first version of utility 08-Jun-2024



For A.Y.2024-25, NEW TAX REGIME is default regime for Individual, HUF, AOP (other than co-operative society), BOI and Artificial Juridical Person.

If you want to opt for "OLD TAX REGIME " and you are:

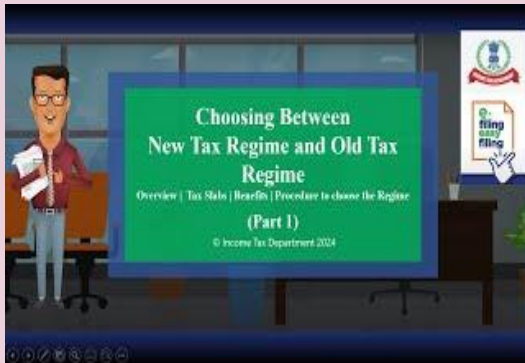
(i) Eligible to file return of income in ITR 1 & 2 , then select relevant option directly in ITR and file return within the applicable due date.

(ii) Eligible to file return of income in ITR 3, 4 & 5 then you MUST file Form 10-IEA before the due date mentioned u/s 139(1).

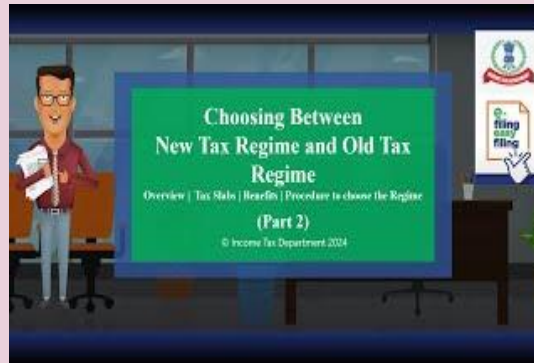
Please compare the tax liability under the New Tax and Old Tax regime before filing of the return.

For computing tax liability please click on the link '[Income Tax Calculator](#)'.

For more details, please find below the links of videos related to Old Regime vs New Regime:



PART -1



PART -2



PART -3

# INCOME TAX NOTIFICATIONS

- Ministry of Finance, through the Central Board of Direct Taxes (CBDT), issued Notification No. 50/2024-Income-tax on June 6, 2024, to revise the jurisdiction of the Directorate of Income Tax (Intelligence & Criminal Investigation) in Lucknow and Kanpur. The notification amends the existing notification published in December 2014, and specifically, in Schedule-II, it removes the previous jurisdictional alignment with the Principal Chief Commissioner of Income-tax, UP (East), for areas in the state of Uttar Pradesh under Sl. No. 9. It substitutes the existing entries for Sl. No. 10, delineating the revenue districts within the jurisdiction of the DIT (Intelligence & Criminal Investigation) Lucknow and Kanpur, now encompassing several districts in Uttar Pradesh and the entire state of Uttarakhand. The revised jurisdiction comes into effect from June 6, 2024. [Link](#)
- In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'Real Estate Appellate Tribunal, Punjab' (PAN AAALR2230D), a body constituted by the Government of Punjab, in respect of the following specified income arising to that body, namely: Levy of fees/charges/fines collected under The Real Estate (Regulation and Development) Act, 2016 (Central Act No.16 of 2016) and Punjab State Real Estate (Regulation and Development) Rules, 2017, Government grants, Interest on bank deposits with the specified conditions. [Link](#)

- The Central Board of Direct Taxes (CBDT) has released *Notification No. 48/2024 dated May 31, 2024*, which unveils the Income-tax (Sixth Amendment) Rules, 2024. These rules bring about a modification to Form No. 27Q of the Income-tax Rules, 1962. Particularly, a new note labeled as Note 7A has been added within the Annexure section under the “Verification” heading. Note 7A instructs taxpayers to indicate “P” if they are seeking lower deduction or no deduction based on a notification issued under sub-section (1F) of section 197A. This amendment takes effect from July 1, 2024. [Link](#)





## LATEST COMPANY LAW UPDATES BY THE MCA



- The MCA technical team is working with a third party to resolve the issue that stakeholders are facing difficulties in making payments against forms on the MCA 21 Portal.
- The MCA department has shared the notification F. No. 16/17/2018-Legal to the attention of participants in the 'Legal Training Program-Scheme' for undergraduate students.
- The MCA department has shared the notification F. No. 16/17/2018-Legal to the attention of participants in the 'Legal Training Program-Scheme' for undergraduate students .[Click](#)





## ***June month compliance dates ( in July )***

### **1. Due dates for Compliances under GST**

#### **GST Compliance Calendar:**

- **11-07-2024:** Last date for GSTR-1 for taxpayers with turnover above INR 1.5 crores.
- **20-07-2024:** Due date for GSTR-3B for annual turnover above and below INR 5 crores in the previous FY.
- **13-07-2024:** Deadline for non-resident taxpayers to file GSTR-5.
- **20-07-2024:** GSTR-5A due for non-resident OIDAR service providers
- **10-07-2024:** GSTR-7 filing deadline for TDS deductors
- **10-07-2024:** GSTR-8 filing for e-commerce operators for TCS .

### **2. Due dates for Compliances under Income Tax**

#### **Income Tax Compliance Deadlines:**

- **07-07-2024:** Due date for deposit of Tax deducted/collected for the month of May, 2024
- **31-07-2024:** Income Tax Return Due Date

# About Us



Jagmohan Singh & Associates was established in the year 1997. It is a leading Chartered Accountancy firm rendering comprehensive professional services which include Audit, Management consultancy, Tax consultancy, Accounting services, Manpower management, Secretarial services etc.

Jagmohan Singh & Associates is a professional managed firm. The team consists of distinguished chartered accountant, corporate finance advisors and tax consultants. The firm represents a combination of specialized skills, which are geared to offer sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with the industry and other professional which enables the firm to keep pace with contemporary development and to meet the needs of its clients.



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