

E-Pistle

(Monthly Newsletter)

AUGUST 2024



TABLE OF CONTENTS

01

GST

02

**INCOME
TAX**

03

MCA

04

**Business News
Headlines**

GST UPDATES



SPECIAL ALL-INDIA DRIVE AGAINST BOGUS GST REGISTRATIONS



ALL INDIA SPECIAL GST DRIVE

 Period: 16th August to 15th October 2024

 Attention GST Registrants! 

During this period, GST Officers may visit your business premises for inspections. Please ensure that:

- Your GST certificate reflects the updated address.

- Your display board is properly affixed with the correct details.
- 🔍 The main purpose of this drive is to suspend fake GST registrations.

The first drive, conducted between May and July 2023, uncovered nearly 21,791 fake entities and detected ₹24,010 crore in suspected tax evasion. This underscores the critical role of data analytics and inter-agency cooperation in combating tax fraud.

Introduction of New RCM Liability/ITC Statement:

- The GST portal has introduced a new statement for Reverse Charge Mechanism (RCM) Liability/ITC. This statement will facilitate the reconciliation of RCM ITC availed with the RCM Liability paid.
- Taxpayers are required to report the opening balance of RCM paid but ITC not availed as of July 2024 on the GST portal by 31st October 2024. This balance may be amended up to three times until 30th November 2024.

From 1st September, many changes in the GST Act will take place that will impact your GST Returns filing

- ✍ From Sept 2024, if a supply's value is above Rs. 1 lakh, it must be reported in GSTR-1's Table B2CL.
- ✍ Taxpayers can now report negative liability in GSTR-3B's Table No. 3. The negative liability will be automatically adjusted in the next month's return, making the reconciliation process smoother.
- ✍ From 1st Sept 2024: If you haven't added and validated your bank account details in your GST registration, your GSTR-1 /IFF will be blocked.
- ✍ GSTR-9 and GSTR-9C: Forms GSTR-9 (Annual Return) and GSTR-9C (Reconciliation Statement) will be active on the GST portal.

INCOME TAX



India to have new Income Tax Act in six months: FM

"The purpose is to make the Act concise, lucid, easy to read and understand"

GYANENDRA KESHRI
NEW DELHI, DHNS



FM at the celebration of '165th Year of Income Tax', in New Delhi, on Wednesday. PHOTO: PTI

Union Finance Minister Nirmala Sitharaman on Wednesday announced that a new tax code or Income Tax Act would come within six months to replace the over six-decade old Income Tax Act of 1961.

"Within six months we will have the tax code or the Income Tax Act, at least some parts of it very clearly written in simple easy to understand language," Sitharaman said at the 165th Income Tax Day celebration.

According to the Finance Minister, a committee within the Central Board of Direct Taxes (CBDT) is working on the new tax system. She further added that ensuring a "seamless, painless and faceless" tax system are the key goal of the proposed legislation.

In the Union Budget 2024-25 presented last month, Sitharaman had announced a comprehensive review of the Income Tax Act, 1961. "The

purpose is to make the Act concise, lucid, easy to read and understand. This will reduce disputes and litigation, thereby providing tax certainty to the taxpayers. It will also bring down the demand embroiled in litigation," she had said.

Meanwhile, Sitharaman asked tax officials to avoid a "threatening tone" in their notices sent to the taxpayers. "Tax notices need to be simplified so that people understand them better. Can we explore issuing simple, easy-to-understand notices?" the Finance Minister asked.

"Let the experience of filing a tax return on the first day be as good as filing it on the last day. We have to ensure that threatening language in tax notices and messages is avoided," she added.

The Finance Minister claimed that the new simplified tax structure, which was introduced in the 2020 Bud-

get, has helped in broadening the tax base.

"The last ten years were full of challenges for India and tax officers. The collective effort of the tax-payers and income tax officials have led to the highest ever income tax collection," Sitharaman said.

According to the Finance Minister, 72% of taxpayers have moved to the new tax systems.

She added that 58.57 lakh taxpayers have filed returns for the first time this year, which signals widening in the tax base.

The number of Income Tax Returns (ITRs) filed in the current financial year till the due date of July 31 increased to 7.28 crore, which is the highest ever and 7.5% more than 6.77 crore returns filed during the corresponding period of the last year, as per the Central Board of Direct Taxes (CBDT) data.

- Union Finance Minister Nirmala Sitharaman announced that India will have a new Income Tax Act within the next six months, replacing the old Income Tax Act of 1961.

- The objective is to create a concise, lucid, and easy-to-understand tax code, which will reduce disputes and litigation while providing tax certainty to taxpayers.

- Ensuring a seamless, painless, and faceless tax system is a key goal of the new legislation.

- Sitharaman urged tax officials to avoid using a "threatening tone" in tax notices and suggested exploring simpler, easy-to-understand notices.

- She emphasized the importance of filing tax returns on time and avoiding threatening language in communication.

- The simplified tax structure, introduced in the 2020 Budget, has broadened the tax base, with 72% of taxpayers now moving to the new system.

Reduction in TDS rates under sections 194DA, 194G, 194H, 194-IB, 194M and 194-O

R2.48 With effect from October 1, 2024, TDS rates under sections 194DA, 194G, 194H, 194-IB, 194M and 194-O have been reduced as follows –

<i>Different sections</i>	<i>TDS rate</i>	
	<i>Up to September 30, 2024</i>	<i>From October 1, 2024</i>
Section 194DA - Payment in respect of life insurance policy	5%	2%
Section 194G - Commission, etc., on sale of lottery tickets	5%	2%
Section 194H - Payment of commission or brokerage	5%	2%
Section 194-IB - Payment of rent by individual/HUF	5%	2%
Section 194M - Payment of certain sums by certain individuals/HUF	5%	2%
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%

Note - During the budget speech, the Finance Minister announced a change in TDS rate under section 194D (pertaining to payment of insurance commission). When the recipient is a resident person other than a company, TDS rate will be reduced from 5 per cent to 2 per cent. The revised rate will, however, come into effect from April 1, 2025.

Reduction of TDS rates wef 1st Oct 2024



New Changes in Long-Term Capital Gains (LTCG) Taxation on Real Estate

Key Points:

1. Properties Purchased Before July 23, 2024:

- Option 1: Pay LTCG at the old rate of 20% with indexation benefits.
- Option 2: Pay LTCG at the new rate of 12.5% without indexation.

2. Properties Purchased On or After July 23, 2024:

- Single Option: Pay LTCG at the new rate of 12.5%.

This move is seen as a positive step by the government to eliminate retrospective taxation, providing clarity and fairness in the tax system. It allows taxpayers who made investment decisions under the old regime to benefit from the previous rate while ensuring a uniform tax rate for future transactions.

F.No. 275/4/2024-IT(B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 5th August, 2024

Sub: Non-applicability of higher rate of TDS/TCS as per provisions of section 206AA/206CC of the Income-tax Act, 1961, in the event of death of deductee/collectee before linkage of PAN and Aadhaar- reg.

As per Circular no. 06 of 2024 dated 23.04.2024, the Board had provided a window of opportunity to the taxpayers upto 31.05.2024 for linkage of PAN and Aadhaar for the transactions entered into upto 31.03.2024 so as to avoid higher deduction/collection of tax under section 206AA/206CC of the Income-tax Act, as the case maybe.

2. Several grievances have been received from the taxpayers where they have cited instances of demise of the deductee/collectee during the said period (i.e. on or before 31.05.2024) before the option to link PAN and Aadhaar could have been exercised. In such cases, tax demands are standing against the deductor/collector as a result of failure to link PAN and Aadhaar of the deceased person.

3. In order to redress such grievances of the taxpayers, the Board, hereby specifies that in respect of cases where higher rate of TDS/TCS was attracted under section 206AA/206CC of the Act pertaining to the transactions entered into upto 31.03.2024 and in case of demise of the deductee/collectee on or before 31.05.2024 i.e. before the linkage of PAN and Aadhaar could have been done, there shall be no liability on the deductor/collector to deduct/collect the tax under section 206AA/206CC, as the case maybe. The deduction/collection as mandated in other provisions of Chapter XVII-B or Chapter XVII-BB of the Act, shall be applicable.

4. Hindi version to follow.

Surjeet
05.08.24

(Surjeet Kumar)

Under Secretary to the Government of India

Tele: 23095478

Copy to:-

CBDT relaxes TDS/TCS provisions under the Income-tax Act, 1961, in the event of death of deductee/collectee before linking of PAN and Aadhaar.

Circular No. 8 of 2024 issued on 05.08.2024.

Aimed to address genuine difficulties faced by taxpayers.

CBDT issues clarification in respect of Income-tax clearance certificate (ITCC)

As per section 230 of the Act, every person is not required to obtain a tax clearance certificate.

Cases in which tax clearance certificate is required by a person:

- ✍ where the person is involved in serious financial irregularities and his presence is necessary in investigation of cases under the Income-tax Act or the Wealth-tax Act and it is likely that a tax demand will be raised against him, or
- ✍ where the person has direct tax arrears exceeding Rs. 10 lakh outstanding against him which have not been stayed by any authority.

Further, a person can be asked to obtain a tax clearance certificate only after recording the reasons for the same and after taking approval from the Principal CIT or the Commissioner, IT.



🚨 Income Tax Department Alert! 🚨

The last date to file ITR has passed, and scammers are now more active than ever.

⚠️ Reports indicate a surge in frauds in the name of income tax refunds.

Over seven crore people have filed their ITRs, making it a prime target for high-tech fraud attempts.

🚫 Beware of Fake Income Tax Refund Messages!

🔗 Scammers are sending fraudulent links claiming to offer tax refunds. Once clicked, these links can steal money from your account.

🔒 The Income Tax Department has issued a strict warning:

1. Do NOT click on any suspicious links.

2. Do NOT share OTPs, PAN card info, or any personal details.

☎️ Scammers may also call, posing as IT Department officials, demanding immediate payments to avoid penalties. Remember, the IT Department does NOT ask for payments via calls.

Stay Alert and Inform Others!

📣 Share this message with friends and family to prevent fraud.

MCA UPDATES



MINISTRY OF
CORPORATE AFFAIRS

Extension of last date for submission of Online Applications for the posts of “ The Judicial Member in the NCLAT ”

Companies (Indian Accounting Standard) Amendment Rules, 2024

Companies (Registration of Foreign Companies) Amendment Rules, 2024

Companies (Adjudication of Penalties) Amendment Rules, 2024

Limited Liability Partnership (Amendment) Rules, 2024

Click 

Click 

Click 

Click 

Click 

HEADLINES



- ✍️ New record of over 7.28 cr income-tax returns filed: Tax dept
- ✍️ Finance Minister Nirmala Sitharaman to address RBI board on August 10
- ✍️ Forex reserves decline by \$3.47 bn to \$667.386 bn, shows RBI data
- ✍️ RBI revises NPAs provision norms for co-op banks to ensure uniformity
- ✍️ Hiring activity up 12% in July, most sectors report double-digit growth
- ✍️ MCA may remove 400 Chinese firms in 3 months over financial fraud: Report
- ✍️ Sale of shares on stock exchange cannot be treated as unexplained u/s. 68 of the Income Tax Act.

Case Name : Vikram N. Chandan Vs ITO (ITAT Mumbai).

✍ Holding period computable from allotment letter date & not sale agreement registration date under Income Tax Act.

Case Name : Minaxi Mahesh Pawani (Deceased) through Legal Heir Pratik Mahesh Pawani (ITAT Mumbai)

✍ National Company Law Tribunal (NCLT), the Insolvency and Bankruptcy Code (IBC) has reached the highest ever resolution in the fiscal year 2024. It is anticipated that the surge in the cases is due to greater investor interest in turnaround of stressed assets as seen in the resolution plan submissions. In addition to this, the appointment of new NCLT members has also aided in a higher number of resolution cases.

✍ U.S.-listed shares of crypto-linked companies slumped as bitcoin fell more than 15% on Monday, after weak economic data last week triggered fears of a recession and set off a frenzied selling of risky assets.

✍ K'tka Govt issues order suspending any transactions With SBI & PNB

✍ K'tka Govt's Finance Dept issues orders to all state govt depts to close their a/c with SBI & PNB

*NFRA Levies ₹10 Crore Fine on BSR & Associates in Coffee Day Case, Bars Two Auditors

The **National Financial Reporting Authority (NFRA)** has imposed a ₹10 crore penalty on **BSR & Associates LLP [KPMG]**. Additionally, the Engagement Partner and the Engagement Quality Control Reviewer have been fined ₹50 lakhs and ₹25 lakhs, respectively. Both individuals are barred from practice for 10 years and 5 years, respectively, for failing to detect and report the fraudulent diversion of funds by Coffee Day Enterprises Limited during the FY 2018-19.

The order, issued by NFRA Chairman Ajay Bhushan Prasad Pandey and two full-time members, cites numerous audit lapses, legal violations, and non-compliance with audit standards, Quality Control Standards, and the Code of Ethics by the auditors of Coffee Day Enterprises Ltd (CDEL).

According to the order, Coffee Day Enterprises Ltd extended loans to a related party disguised as advance payments for purchases. The amount, more than five times the purchase value, was not scrutinized by the auditors for its business rationale.

The NFRA emphasized that the auditors' over-reliance on management's explanations, under the guise of good faith, led to a significant failure in exercising the professional skepticism expected of a diligent auditor.

Cabinet Meeting Outcomes:

- ✍ Cabinet approves Unified Pension Scheme
- ✍ Cabinet approves the Department of Science and Technology scheme namely 'Vigyan Dhara'
- ✍ Cabinet approves BioE3 (Biotechnology for Economy, Environment and Employment) Policy for Fostering High Performance Biomanufacturing .



INCOME TAX AND GST COMPLIANCE CALENDAR



1. Due dates for Compliances under GST

GST Compliance Calendar:

11-09-2024: Last date for GSTR-1 for taxpayers selected monthly filing.

20-09-2024: Due date for GSTR-3B.

13-09-2024: Deadline for non-resident taxpayers to file GSTR-5.

20-09-2024: GSTR-5A due for non-resident OIDAR service providers

10-09-2024: GSTR-7 filing deadline for TDS deductors

10-09-2024: GSTR-8 filing for e-commerce operators for TCS .

2. Due dates for Compliances under Income Tax

07-09-2024: Due date for deposit of Tax deducted/collected for the month of July, 2024.

CONTACT US



• <https://jsaonline.in/>



+91-9818858498

If you have any questions, feedback, or inquiries, please don't hesitate to reach out to us. Our team is here to assist you in any way we can. You can contact us via phone, or through our website's contact form.

We value your input and look forward to hearing from you. Thank you for considering reaching out to us.

