

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the left and right sides of the frame, creating a modern, dynamic feel. The central area is white, providing a clean space for the text.

# Just 5 Minutes

TAXCON<sup>TM</sup> INDIA PRIVATE LIMITED

Union Budget to be presented in Lok Sabha on July 23

# INCOME TAX

## 1. *Rates for small savings scheme for 2<sup>nd</sup> qtr*

The Ministry of Finance has announced the small savings scheme rates for the second quarter of FY 2024-25. The interest rates for different small savings schemes during the second quarter of the Financial Year 2024-25, effective from July 1, 2024, to September 30, 2024, will remain unchanged from those set in the first quarter of FY 2024-25.

## 2. *Specified forms under rule 131*

The Central Board of Direct Taxes (CBDT) specified the e-filing of 6 forms under rule 131 of the Income Tax Rules, 1962. These include forms for making applications under section 35AD, Opting for Safe Harbour in respect of Specified Domestic Transactions, etc., namely, Form 3CN, 3CS, 3CEC, 3CEFB, 59, and 59A.

# INCOME TAX

## 3. *LEI Mandatory for refund exceeding 50 crore*

As per RBI Instructions now in the case of non-individuals, a Legal Entity Identifier (LEI) No. is required for Credit of income tax refunds exceeding Rs. 50 crore. For hassle-free refund processing, please submit LEI details in Login->Dashboard->Services->LEI.

# GST

## 1. *Application for registration (Rule -8 New proviso Added)*

It particularly addresses the scenario where the applicant has not opted for the authentication of their Aadhaar number. Accordingly, for individuals who have not opted for Aadhaar authentication, additional steps are required to complete their application process. These are as under:

- ▶ If the applicant is an individual, their photograph must be taken. If the applicant is not an individual, photographs of the notified individuals related to the applicant must be taken.
- ▶ The original documents uploaded with the GST registration application in FORM GST REG-01 must be verified in person.
- ▶ Such verification must be done at a Facilitation Center notified by the Commissioner.

# GST

## 2. *Procedure for distribution of ITC by ISD (Rule 39)*

A mechanism for transferring credit of common input services to the ISD through invoices or credit/debit notes, ensuring proper credit distribution has been introduced. Amendments provides clear definitions for the relevant period, recipient of credit, and turnover to ensure proper implementation and understanding of the rule.

Further a registered person with the same PAN and State code as the Input Service Distributor (ISD) may issue an invoice or a credit/debit note per Rule 54(1A). This is to transfer the credit of common input services to the ISD. The ISD will then distribute this credit as per the provisions.

# GST

### 3. *Registration to be cancelled in certain cases - Additional Criteria*

At present clause pertained to specific conditions related to the filing of FORM GSTR-1, which is a return for outward supplies. The amendment provides, not only the original FORM GSTR-1 but also any subsequent amendments made in FORM GSTR-1A (which allows for rectifications) are relevant

### 4. *DGGI cannot sent notices on interpretational issues*

In a significant development aimed at easing the burden on industries and GST taxpayers across the nation, the government has implemented new protocols concerning GST demand notices. Henceforth, the Directorate General of GST Intelligence (DGGI) will be required to obtain approval from the policy wing under the Central Board of Indirect Taxes and Customs.

# LABOUR LAWS

## *1. Penalty on default in contribution to EPFO, EPS and EDLI reduced*

The Employees' Provident Fund Organisation has cut the penal charges on defaults by employers who delay or fail to deposit contributions in the Employees' Provident Fund, Employees' Pension Fund and Employees' Deposit Linked Insurance Scheme. The defaulters will be liable to pay 1% of the contributing amount per month as penal charges for these three schemes. This translates into 12% of the contributions per annum. The move will mean a lower burden for defaulting employers.

## *2. EPF withdrawal benefits extended to members with under 6 months of service*

The Labour Ministry has amended the Employees' Pension Scheme (EPS), 1995 to ensure that EPS members with less than six months of contributory service also receive withdrawal benefit. The move is expected to benefit more than 700,000 EPS members every year who leave the scheme with less than six months of contributory service.



# CASE LAWS - INCOME TAX

## 1. *National Contracting Company (India) Private Limited Vs DCIT (ITAT Chennai)*

The Chennai Bench of Income Tax Appellate Tribunal (ITAT) has held that the claim of the assessee cannot be denied for the reason that a deduction was mentioned in the wrong classification in the ITR, especially in the circumstances where all other evidence is available on record suggesting the deduction in pursuance of the provisions of Section 43B is available

## 2. *Tata Cummins (P.) Ltd. v. DCIT*

It has been held that where assessee had filed a rectification application before DRP which had not been disposed of till date and delay in disposal of said rectification application could not be attributed to any malafide conduct of assessee, stay on recovery of demand was to be granted

# CASE LAWS - INCOME TAX

## 3. *Dharam Foundation v. ITO*

It has been held that where CIT (Exemption) rejected assessee-society's approval application under section 80G(5) due to late filing beyond specified time limit, as per Circular No. 6/2023 dated 24-5-2023, which was later declared unconstitutional, and subsequently, CBDT vide Circular No. 07/2024 dated 25-4-2024 extended due date to June 30, 2024, allowing society to reapply in Form 10AB, assessee would be at liberty to approach CIT (Exemption) by filing a fresh application in Form 10AB, which would be treated as a valid application as per CBDT Circular No. 07/2024

## 4. *In the ITAT Pune Bench 'SMC'*

It has been held that where assessee opted for new tax regime and filed Form No. 10IE after due date prescribed for filing of return, however, said form was available with CPC at time of processing of return, CPC ought to have considered same allowing benefit of new tax regime

# CASE LAWS - INDIRECT TAX

## 1. *Venus Jewel Vs Union of India*

The Bombay High Court has held that mere mismatch of GSTN Portal Data with ICEGATE cannot be the reason for IGST refund rejection

## 2. *Fidelity Information Services*

The Authority for Advance Ruling has held that recovery of retention bonus, joining bonus and tuition assistance program by the employer from the employees who voluntarily exit before stipulated period, is not chargeable/ taxable under GST.

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