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Changes in GST and Income Tax - Key Highlights of 2024 Budget

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EXPERT'S Column



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The Gujarat Sales Tax Bar Association (2021-2023) and Member of Indirect Tax Task Force:- The Gujarat Chamber Of Commerce And Industry (2022-2023). He is an accredited GST trainer from the National Academy of Customs, Excise & Narcotics, Faridabad. He has delivered lectures on GST at various trade forums, professional associations and also at departmental outreach programmes. He has also participated in various GST discussions in the print and electronic media.

GOODS AND SERVICE TAX

Relaxation in Conditions of Section 16(4) for availing ITC

A. Extension to avail ITC for FY 2017-18 to 2020-21 Section 16(5)

Time limit to avail ITC for any tax invoice under Section 16(4) for FYs 2017-18, 2018-19, 2019-20 and 2020-21 is extended upto to 30th November 2021, i.e. ITC can be availed in Any Return filed upto 30th November 2021 is valid and allowable.

B. Benefit for GSTR-3B filed after Revocation of Cancellation Section 16(6)

Conditional relaxation in time limit to claim ITC u/s 16(4) in cases where returns for the period from the date of cancellation of registration till the date

of revocation or cancellation of the registration, are filed by the registered person within 30 days of the order of revocation.

Financial Year	Original Last Date to avail ITC	Extended Date to avail ITC
2017-18	23-04-2019	30th November 2021
2018-19	20-10-2019	
2019-20	24-10-2020	
2020-21	24-10-2021	

Example :- Extension to avail ITC for FY 2017-18 to 2020-21 Section 16(5)

ITC of Financial Year	ITC Availed in GSTR-3B of	Date of filing GSTR-3B	Original Last Date to avail ITC	Extended Date to avail ITC	Extended Date benefit for taking ITC u/s 16(4)
2017-18	Apr'19	20-05-2019	23-04-2019	30-11-2021	Available
2017-18	Apr'19	26-10-2019	23-04-2019	30-11-2021	Available
2020-21	Oct'21	25-10-2021	24-10-2021	30-11-2021	Available
2020-21	Oct'21	10-12-2021	24-10-2021	30-11-2021	Not Available

Example :- Benefit for GSTR-3B filed after Revocation of Cancellation Section 16(6)

Events	Date
Registration Cancelled by Department	01-06-2024
Revocation Order received for Cancellation of GST Registration	31-12-2024
Original Last date to avail ITC u/s 16(4) for FY 2023-24 in above example	30-11-2024
Extended Last date to avail ITC u/s 16(4) for FY 2023-24 in above example	30-01-2025

INCOME TAX

Personal Tax Slab

- Enhancement of standard deduction to INR 75,000.
- New Tax Regime now provides a change in the tax structure with reduced slabs as under:

Existing Taxable Income (INR)	Proposed Taxable Income (INR)	Tax Rate
Upto 300,000	Upto 300,000	Nil
300,001 – 600,000	300,001 – 700,000	5 per cent
600,001 – 900,000	700,001 – 1,000,000	10 per cent
900,001 – 1,200,000	1,000,001 – 1,200,000	15 per cent
1,200,001 – 1,500,000	1,200,001 – 1,500,000	20 per cent
Above 1,500,000	Above 1,500,000	30 per cent

- Under the New Tax Regime, individuals would now save as much as INR 17,500 in taxes.
- Rationalisation of capital gains: Uniformity in the holding period of capital assets with a proposal to classify all listed financial assets as long-term if held for more than one year and all unlisted financial assets and non-financial assets will be considered long term if held for more than two years.
- Short-term capital gains rates on sale of equity oriented mutual funds and equity shares have been increased to 20% from the existing rate of 15%. Short-term capital gains on the sale of other financial assets will be taxed at the applicable rates.
- The limit of exemption for long-term capital gains will be enhanced to INR 1.25 lakh per year from the existing threshold of INR 1 lakh per year for STT-paid equity shares and units of equity-oriented funds.

- For ordinarily resident individuals, non-disclosure of foreign assets (other than immovable property) aggregating to value upto INR 2,000,000, would not attract penalty under the Black Money Law (w.e.f. 1 October 2024).
- The indexation benefit for calculating long-term capital gains (previously available for property, gold, and other unlisted assets) has been removed.
- Exemption available to shareholders for the buy-back of shares is now withdrawn and will be treated as a deemed dividend.
- Re-assessments can be initiated beyond three years from the end of the assessment year only if the escaped income is INR 50 lakh or more, and up to a maximum period of five years from the end of the assessment year. Similarly, in search cases, the time limit is now reduced to six years before the year of search, from the existing limit of 10 years.
- Increase in rates of securities transaction tax on sale of an option in securities from 0.0625% to 0.1% of the option premium and on sale of a futures in securities from 0.0125% to 0.02% of the price at which such "futures" are traded.

TDS/TCS

- The TDS rate on payment for sale of goods or provision of services by e-commerce operator to e-commerce participant reduced from 1 per cent to 0.1 per cent (w.e.f. from 1 October 2024).
- The TDS rates under the following provisions rationalised from 5 per cent to 2 per cent:
 - Section 194D** – Payment of insurance commission (in case of person other than company).
 - Section 194DA** – Payment in respect of life insurance policy.
 - Section 194H** – Payment of commission or brokerage.
 - Section 194-IB** – Payment of rent by certain individuals or HUF.
 - Section 194M** – Payment of certain sums by certain individuals or Hindu undivided family. (except for section 194D, the amendments are w.e.f. 1 October, 2024)

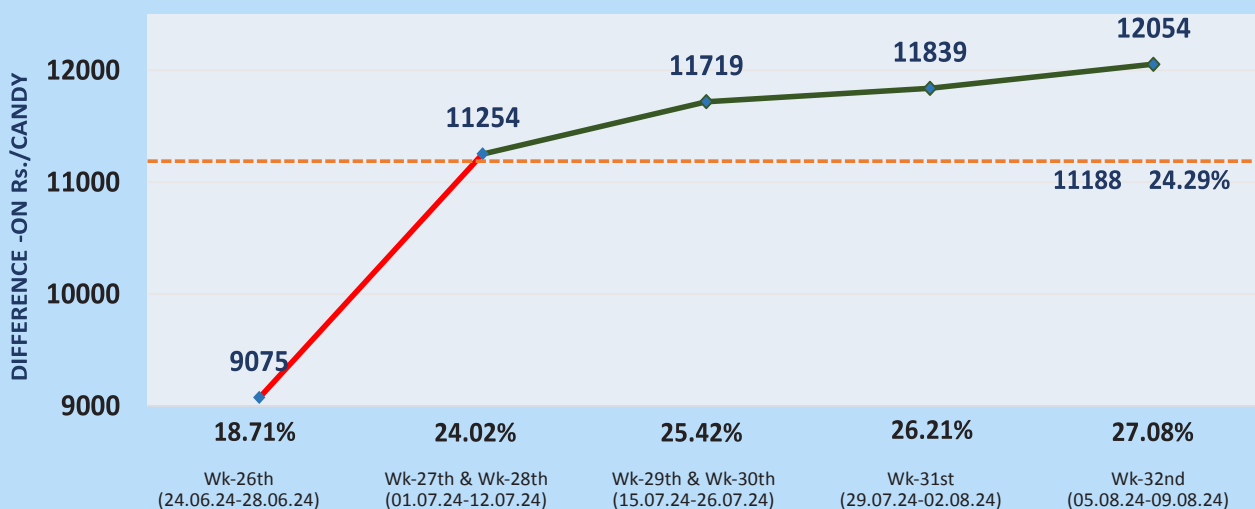
(The views expressed in this column are of the author and not that of Cotton Association of India)

Comparison of ICE-Futures and ICS-105 12th August 2024

M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.5, Trash 3.5%, Str./GPT 28

Date 2024	CAI Rates Rs./c.	ICE Settlement Futures		1 US \$ = Rs.	Conversion Factor	Indian Ctn in USc/lb.	Difference-ON		%
		Cover Mth.	USc/lb.				USc/lb.	Rs./c	
A	B	C	D	E	F	G	H	I	J
Week No-32nd									
05 Aug	56800	Dec. '24	67.78	83.73	656.44	86.53	18.75	12308	27.66
06 Aug	56600	Dec. '24	67.30	84.00	658.56	85.95	18.65	12282	27.71
07 Aug	56600	Dec. '24	67.72	83.94	658.09	86.01	18.29	12036	27.01
08 Aug	56500	Dec. '24	67.24	83.94	658.09	85.85	18.61	12247	27.68
09 Aug	56400	Dec. '24	68.34	83.99	658.48	85.65	17.31	11398	25.33
Wk-32nd (05.08.24-09.08.24)						Avg.	18.32	12054	27.08
Wk-31st (29.07.24-02.08.24)						Avg.	18.03	11839	26.21
Wk-29th & Wk-30th (15.07.24-26.07.24)						Avg.	17.87	11719	25.42
Wk-27th & Wk-28th (01.07.24-12.07.24)						Avg.	17.19	11254	24.02
Wk-26th (24.06.24-28.06.24)						Avg.	13.87	9075	18.71
Total Avg.							17.06	11188	24.29

Comparison ICE Futures to M/M(P) ICS-105 29mm



Sr. No.	Parameters	Grade				Staple				Micronaire	
		Premium		Discounts		Premium		Discounts		Micronaire	Discount
		Grade	Premium Amount	Grade	Discount Amount	Staple	Premium Amount	Staple	Discount Amount		
8	P/H/R (U)	Superfine	+1400	Fully Good	-1100			26	-1000	3.0 - 3.2	-800
	ICS-105										
	(Staple length 27mm)		(+2.13)		(-1.68)				(-1.52)		(-1.22)
	Micronaire 3.5 - 4.9	Extra S. Fine	N.A.	Good	-1400					3.3 - 3.4	-400
	(Grade : Fine) Trash - 4% Strength/GPT 26				(-2.13)						(-0.61)
9	M/M(P) /SA/TL/G ICS-105	Superfine	N.A.	Fully Good	-800	28	+1500			2.7 - 2.9	-500
	(Staple length 27mm)										
	Micronaire 3.0 - 3.4				(-1.22)		(+2.29)				(-0.76)
	(Grade: Fine)	Extra S. Fine	N.A.	Good	-1000						
	Trash - 4% Strength/GPT 25				(-1.52)						
10	M/M(P)/SA/TL	Superfine	+1000	Fully Good	-1200						
	ICS-105										
	(Staple length 27mm)		(+1.52)		(-1.83)						
	Micronaire 3.5 - 4.9	Extra S. Fine	N.A.	Good	-1400						
	(Grade:Fine) Trash - 3.5% Strength/GPT 26				(-2.13)						
11	P/H/R (U)	Superfine	+1400	Fully Good	-1100	29	N.A.			3.0 - 3.2	-800
	ICS-105										
	(Staple length 28mm)		(+2.13)		(-1.68)						(-1.22)
	Micronaire 3.5 - 4.9	Extra S. Fine	N.A.	Good	-1400					3.3 - 3.4	-400
	(Grade:Fine)				(-2.13)						(-0.61)
	Trash - 4% Strength/GPT 27										
12	M/M(P)	Superfine	+1100	Fully Good	-1000					3.0 - 3.2	-1200
	ICS-105										
	(Staple length 28mm)		(+1.68)		(-1.52)						(-1.83)
	Micronaire 3.7 - 4.5	Extra S. Fine	N.A.	Good	-1300 (-1.98)					3.3 - 3.4	-800 (-1.22)
	(Grade:Fine) Trash - 3.5% Strength/GPT 27								3.5 - 3.6	-400 (-0.61)	
13	SA/TL/K	Superfine	+1100	Fully Good	-1000					3.0 - 3.2	-1200
	ICS-105										
	(Staple length 28mm)		(+1.68)		(-1.52)						(-1.83)
	Micronaire 3.7 - 4.5	Extra S. Fine	N.A.	Good	-1300 (-1.98)					3.3 - 3.4	-800 (-1.22)
	(Grade:Fine) Trash - 3.5% Strength/GPT 27								3.5 - 3.6	-400 (-0.61)	
14	GUJ	Superfine	+1100	Fully Good	-1000			27	-1500	3.0 - 3.2	-1200
	ICS-105										
	(Staple length 28mm)		(+1.68)		(-1.52)				(-2.29)		(-1.83)
	Micronaire 3.7 - 4.5	Extra S. Fine	N.A.	Good	-1300 (-1.98)					3.3 - 3.4	-800 (-1.22)
	(Grade:Fine)										
	Trash - 3% Strength/GPT 27									3.5 - 3.6	-400 (-0.61)
15	R (L)	Superfine	N.A.	Fully Good	N.A.			28	N.A.	3.0 - 3.2	N.A.
	ICS-105										
	(Staple length 29mm)										
	Micronaire 3.7 - 4.5									3.3 - 3.4	N.A.
	(Grade:Fine)	Extra S. Fine	N.A.	Good	N.A.						
	Trash - 3.5% Strength/GPT 28									3.5 - 3.6	N.A.

Sr. No.	Parameters	Grade				Staple				Micronaire			
		Premium		Discounts		Premium		Discounts		Micronaire	Discount		
		Grade	Premium Amount	Grade	Discount Amount	Staple	Premium Amount	Staple	Discount Amount				
16	M/M(P)	Superfine	+800	Fully Good	-800					3.0 - 3.2	-1200		
	ICS-105												
	(Staple length 29mm)												
	Micronaire 3.7 - 4.5												
	(Grade:Fine)	Extra S. Fine	+1100	Good	-1100							3.3 - 3.4	-800 (-1.22)
Trash-3.5%Strength/GPT28		(+1.68)		(-1.68)	3.5 - 3.6	-400 (-0.61)							
17	SA/TL/K	Superfine	+800	Fully Good	-800					3.0 - 3.2	-1200		
	ICS-105												
	(Staple length 29mm)												
	Micronaire 3.7 - 4.5	Extra S. Fine	+1100 (+1.68)	Good	-1100 (-1.68)							3.3 - 3.4	-800 (-1.22)
	(Grade:Fine)												
Trash - 3% Strength/GPT 28					3.5 - 3.6	-400 (-0.61)							
18	GUJ	Superfine	+800	Fully Good	-800	30	N.A.			3.0 - 3.2	-1200		
	ICS-105												
	(Staple length 29mm)												
	Micronaire 3.7 - 4.5												
	(Grade:Fine)	Extra S. Fine	+1100 (+1.68)	Good	-1100 (-1.68)							3.3 - 3.4	-800 (-1.22)
Trash - 3% Strength/GPT 28					3.5 - 3.6	-400 (-0.61)							
19	M/M(P)	Superfine	+900	Fully Good	-900					3.0 - 3.2	-1200		
	ICS-105												
	(Staple length 30mm)												
	Micronaire 3.7 - 4.5 (Grade:Fine)	Extra S. Fine	+1200	Good	-1100							3.3 - 3.4	-800 (-1.22)
	Trash - 3% Strength/GPT 29		(1.83)		(-1.68)							3.5 - 3.6	-400 (-0.61)
20	SA/TL/K/O	Superfine	+900	Fully Good	-800					3.0 - 3.2	-1200		
	ICS-105												
	(Staple length 30mm)												
	Micronaire 3.7 - 4.5												
	(Grade:Fine)	Extra S. Fine	+1200	Good	-1000							3.3 - 3.4	-800 (-1.22)
Trash - 3% Strength/GPT 29		(+1.83)		(-1.52)	3.5 - 3.6	-400 (-0.61)							
21	M/M(P)	Superfine	N.A.	Fully Good	N.A.					3.0 - 3.2	N.A.		
	ICS-105												
	(Staple length 31mm)												
	Micronaire 3.7 - 4.5	Extra S. Fine	N.A.	Good	N.A.							3.3 - 3.4	N.A.
(Grade : Fine) Trash - 3% Strength/GPT 30					3.5 - 3.6							N.A.	
22	SA/TL/K/IN/O	Superfine	N.A.	Fully Good	N.A.					3.0 - 3.2	N.A.		
	ICS-105												
	(Staple length 31mm)												
	Micronaire 3.7 - 4.5	Extra S. Fine	N.A.	Good	N.A.							3.3 - 3.4	N.A.
(Grade : Fine) Trash - 3% Strength/GPT 30					3.5 - 3.6							N.A.	

Sr. No.	Parameters	Grade				Staple				Micronaire	
		Premium		Discounts		Premium		Discounts		Micronaire	Discount
		Grade	Premium Amount	Grade	Discount Amount	Staple	Premium Amount	Staple	Discount Amount		
23	SA/TL/K/TN/O	Superfine	N.A.	Fully Good	N.A.			31	N.A.	3.0 - 3.2	N.A.
	ICS-106										
	(Staple length 32mm)										
	Micronaire 3.5 - 4.2	Extra S. Fine	N.A.	Good	N.A.					3.3 - 3.4	N.A.
	(Grade : Fine) Trash - 3% Strength/GPT 31										
24	M/M(P)	Superfine	+1500	Fully Good	-1000	35	+1500	33	-4000	2.5 - 2.7	-700
	ICS-107										
	(Staple length 34mm)		(+2.29)		(-1.52)		(+2.29)		(-6.09)		(-1.07)
	Micronaire 2.8 - 3.7	Extra S. Fine	N.A.	Good	-1500	36	+3000				
	(Grade : Fine) Trash - 4% Strength/GPT 33				(-2.29)		(+4.57)				
25	K/TN	Superfine	+2000	Fully Good	-1000	35	+2000	33	-5000	2.5 - 2.7	-700
	ICS-107										
	(Staple length 34mm)		(+3.05)		(-1.52)		(+3.05)		(-7.62)		(-1.07)
	Micronaire 2.8 - 3.7	Extra S. Fine	N.A.	Good	-1500	36	+3500				
	(Grade : Fine) Trash - 3.5% Strength/GPT 34				(-2.29)		(+5.33)				
26	M/M(P)	Superfine	+1500	Fully Good	-1000	36	+1500	34	-1500	2.5 - 2.7	-700
	ICS-107										
	(Staple length 35mm)		(+2.29)		(-1.52)		(+2.29)		(-2.29)		(-1.07)
	Micronaire 2.8 - 3.7	Extra S. Fine	N.A.	Good	-1500						
	(Grade : Fine) Trash - 4% Strength/GPT 35				(-2.29)						
27	K/TN	Superfine	+2000	Fully Good	-1000	36	+1500	34	-2000	2.5 - 2.7	-700
	ICS-107										
	(Staple length 35mm)		(+3.05)		(-1.52)		(+2.29)		(-3.05)		(-1.07)
	Micronaire 2.8 - 3.7	Extra S. Fine	N.A.	Good	-1500						
	(Grade : Fine) Trash - 3.5% Strength/GPT 35				(-2.29)						

Conversion factor – 656.36 based on the RBI closing exchange rate of 1 US \$ = Rs.83.72 prevailing on 31st July 2024.

Figures in bracket denotes value difference in Cents per Lb.

Note :

- (1) These Value Differences are applicable to domestic trade.
- (2) The above differences are merely indicative in nature. Cotton Association of India gives no warranty as to the accuracy or completeness of information contained herein and accepts no legal responsibility howsoever arising in relation to such information.
- (3) Premium and Discount mentioned in Indian Rupees above will remain constant for one month whereas the same mentioned in Cents per Lb. will vary as per the exchange rate fixed by the Reserve Bank of India.

UPCOUNTRY SPOT RATES (Rs./Qtl)													
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length As per CAI By- laws								Spot Rate (Upcountry) 2023-24 Crop August 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	5th	6th	7th	8th	9th	10th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	13835 (49200)	13582 (48300)	13582 (48300)	13582 (48300)	13582 (48300)	
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	14004 (49800)	13751 (48900)	13751 (48900)	13751 (48900)	13751 (48900)	H
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11192 (39800)	11107 (39500)	11107 (39500)	11079 (39400)	11079 (39400)	
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	12345 (43900)	12260 (43600)	12260 (43600)	12232 (43500)	12232 (43500)	
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14763 (52500)	14707 (52300)	14707 (52300)	14679 (52200)	14650 (52100)	O
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	14988 (53300)	14847 (52800)	14847 (52800)	14847 (52800)	14847 (52800)	
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	15129 (53800)	14988 (53300)	14988 (53300)	14988 (53300)	14988 (53300)	L
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	13919 (49500)	13835 (49200)	13779 (49000)	13638 (48500)	13582 (48300)	
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	15185 (54000)	15100 (53700)	15044 (53500)	14904 (53000)	14847 (52800)	
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15466 (55000)	15325 (54500)	15325 (54500)	15325 (54500)	15325 (54500)	I
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15635 (55600)	15607 (55500)	15522 (55200)	15466 (55000)	15410 (54800)	
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15691 (55800)	15663 (55700)	15578 (55400)	15522 (55200)	15466 (55000)	
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	15775 (56100)	15719 (55900)	15691 (55800)	15635 (55600)	15635 (55600)	D
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15972 (56800)	15916 (56600)	15916 (56600)	15888 (56500)	15860 (56400)	
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	16085 (57200)	16028 (57000)	16028 (57000)	16000 (56900)	15972 (56800)	A
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	16028 (57000)	15972 (56800)	15944 (56700)	15888 (56500)	15888 (56500)	
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	16225 (57700)	16141 (57400)	16141 (57400)	16113 (57300)	16085 (57200)	
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	16281 (57900)	16197 (57600)	16197 (57600)	16169 (57500)	16141 (57400)	Y
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	23480 (83500)	23480 (83500)	23480 (83500)	23480 (83500)	23340 (83000)	
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	23902 (85000)	23902 (85000)	23902 (85000)	23902 (85000)	23621 (84000)	
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	23902 (85000)	23902 (85000)	23902 (85000)	23902 (85000)	23902 (85000)	
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	24464 (87000)	24464 (87000)	24464 (87000)	24464 (87000)	24464 (87000)	

(Note: Figures in bracket indicate prices in Rs./Candy)