

Announcements

GST

- Introduction of RCM Liability/ITC Statement
To assist taxpayers in correctly reporting Reverse Charge Mechanism (RCM) transactions, a new statement called "RCM Liability/ITC Statement" has been introduced on the GST Portal. This statement will enhance accuracy and transparency for RCM transactions by capturing the RCM liability shown in Table 3.1(d) of GSTR-3B and its corresponding ITC claimed in Table 4A(2) and 4A(3) of GSTR-3B for a return period. This statement will be applicable from tax period August 2024 onwards for monthly filers and from the quarter, July-September-2024 period for quarterly filers. The RCM Liability/ITC Statement can be accessed using the navigation: Services >> Ledger >> RCM Liability/ITC Statement.
- Advisory for furnishing bank account details before filing GSTR-1/IFF Notification No. 38/2023 – Central Tax New Delhi, the 4th August, 2024
Starting from September 1, 2024, Rule 10A of the Central Goods and Services Tax Rules, 2017, requires taxpayers to provide valid bank account details within 30 days of registration or before filing GSTR-1/IFF, whichever is earlier. For the tax period of August 2024 onwards, taxpayers without valid bank account details in their GST registration will be unable to file GSTR-1 or use the Invoice Furnishing Facility (IFF). Taxpayers are urged to update their bank account information through the GST Portal under Services > Registration > Amendment of Registration Non-Core Fields.
- Advisory in respect of Changes in GSTR 8
Please refer to the GST Council decision to the effect that TCS rate has been reduced from the current 1% (0.5% CGST + 0.5% SGST/UTGST, or 1% IGST) to 0.5% (0.25% CGST + 0.25% SGST/UTGST, or 0.5% IGST) effective from 10/07/2024 vide Notification No. 15/2024 dated 10.07.2024. Thus, the following important aspects regarding the TCS rates effective from 10.07.2024 are to be noticed:
(i) Period from 1st July to 9th July 2024:
During this period, the old TCS rate of 1% will continue to apply. Taxpayers are required to collect & report TCS at this rate for all transactions happened between these dates.
(ii) From 10th July 2024 onwards:
A revised TCS rate of 0.5% will come into effect from 10th July 2024. Taxpayers must ensure their systems and processes are updated to reflect this new rate for all transactions happened from 10th July forward.
- Detailed Manual and FAQs on filing of GSTR-1A
As per the directions of the Government vide notification no. 12/2024 dt 10th July 2024, Form GSTR-1A has been made available to the taxpayers from July 2024' tax period. GSTR-1A is an optional facility to add, amend or rectify any particulars of a supply reported/missed in the current Tax period's GSTR-1 before filing of GSTR-3B return of the same tax period. GSTR-1A shall be open for the taxpayer after filing of GSTR-1 of a tax period or after the due date of GSTR-1 whichever is later.

MCA

- Stakeholders are informed that the Beta version of MCA Chatbot is now live on the portal. This can be accessed by clicking the Chat icon in bottom right section on the portal.

Due dates

Income Tax

- 7th Sep, 2024 • TDS Payment for August 2024.
- 14th Sep, 2024 • TDS Certificate (July 2024): Form 16B,16C,16D,16E.
- 15th Sep, 2024 • Second advance tax instalment for the AY 2025-26.
- 30th Sep, 2024 • Challan-cum-statement for tax deducted under 194IA, 194IB, 194M, 194S for August 2024.
• Submission of the audit report (Section 44AB) for FY 2023-24.

GST

- 10th Sep, 2024 • GSTR-7: TDS return under GST for the month of August 2024.
• GSTR-8: TCS return under GST for the month of August 2024.
- 11th Sep, 2024 • GSTR-1 (Monthly) for August 2024.
- 13th Sep, 2024 • GSTR - 1 QRMP (for April - June 24).
• GSTR - 5 (NRTP) for August 2024.
• GSTR-6 (Input Service Distributors) for August 2024.
- 20th Sep, 2024 • GSTR-3B (Monthly) for August 2024.
• GSTR - 5A (OIDAR) for August 2024.
- 25th Sep, 2024 • PMT-06 for August 2024.

MCA

- 15th Sep, 2024 • Form ADT-1: Appointment of Auditor (Applicable for companies whose Annual General Meeting (AGM) was held in August 2024).
- 27th Sep, 2024 • Form AOC-4 : For One Person Company (OPC) (FY 2023-24).
- 30th Sep, 2024 • Form DIR-3 KYC.

Payroll & Labour Law

- 15th Sep, 2024 • Payment of PF for August 2024.
• Payment of ESI for August 2024.

Understanding Credit Scores: Key Factors and Importance

Credit Score, in simple terms, is the numerical representation of the creditworthiness of an individual. It is a 3-digit value ranging from 300 to 900, with a higher score indicating better creditworthiness and vice versa, as reported by CIBIL™, which is one of the widely accepted credit bureaus in India. Creditworthiness refers to the extent up to which an individual is eligible to obtain credit, which is the measure that institutions use to ascertain whether or not to extend credit facilities considering their ability and willingness to repay.

Credit score is generated by Credit Bureaus, which include CRIF High Mark, Experian, Equifax, and CIBIL™ (Credit Information Bureau India Limited) in India. Each bureau has its own process for computing credit scores. Credit bureaus collect information about the financial activities of an individual from various sources to calculate the credit score. They get details from banks and credit card companies about the loans and payment history, public records like bankruptcies, and from collection agencies if there are overdue debts. They also record when an application is made for credit, and sometimes data is even collected from utility companies or telecom providers about the payments. All this information helps to create the credit report and determine the credit score, which lenders use to decide if lending is risky.

Maintaining a good credit score is crucial for financial health as it affects the ability to secure loans, credit cards, and favourable interest rates. In addition, a good credit score can even influence the eligibility for rental agreements, job opportunities and insurance premiums.

The major components that affect the credit score include:

Payment History: Payment history is the track record of how timely and efficient an individual is in repaying loans, credit cards, and other debt. On-time payments would improve the score.

Credit Utilization: This is the measure of how much of the available credit is actually utilized. It is ideal to keep the credit utilization rate to 30% or lower.

Length of Credit History: If credit accounts are held for a longer period, a better credit track record can be established and is more preferable.

Public Records and Collections: Records of bankruptcies, tax liens, or having accounts sent to collections can severely damage your credit score.

Credit Mix: A diversified portfolio of credit, which can range from credit cards, mortgages, loans, etc., can indicate that various credit facilities are managed properly, which can lead to a better credit score.

In addition to these crucial factors, there are various other factors also that impact the credit score, which includes new credit inquiries, recent credit behaviour, and total amounts owed.

To improve the credit score, it is advisable to have a focused approach in making timely payments of all the bills and dues. It is important to keep the credit utilization to a lower ratio, preferably lesser than 30%, and not utilizing the entire eligible credit. Avoid opening too many new credit accounts to avoid making frequent hard credit inquiries. Regularly check your credit report for errors and dispute any inaccuracies. Also, rather than sticking to a single form of credit, try a mix of various credit options such as loans, credit cards, mortgages, etc. Regularly focusing on these points can help maintain a healthy credit score.

-Fathima Nazar
Articled Assistant