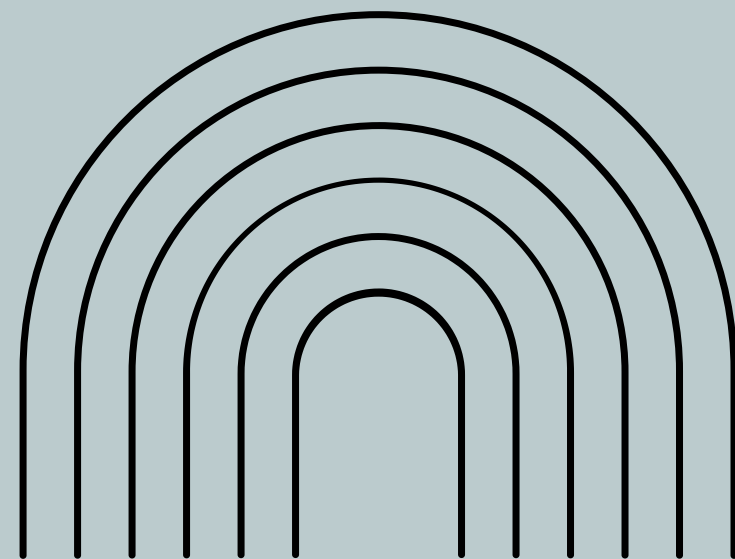


HIGHLIGHTS OF UNION BUDGET AND FINANCE BILL 2024





- 01. ACHIEVEMENTS & MILESTONES
- 02. 2024–29: VISION STATEMENT
- 03. ECONOMIC BOOSTER
- 04. MACRO ECONOMIC ANALYSIS
- 05. TAXONOMICS
- 06. PROPOSALS: DIRECT TAX
- 07. PROPOSALS: INDIRECT TAX

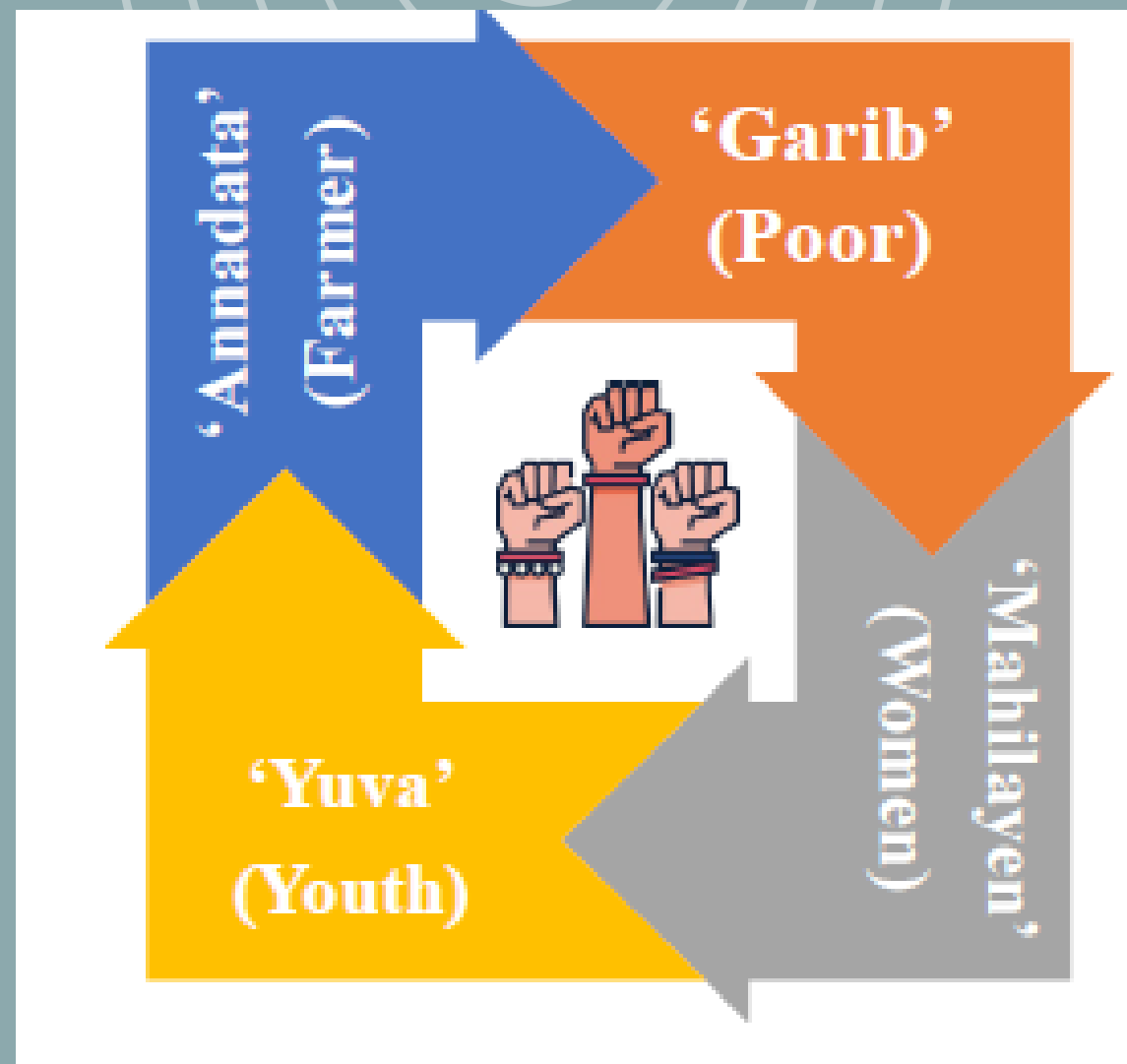
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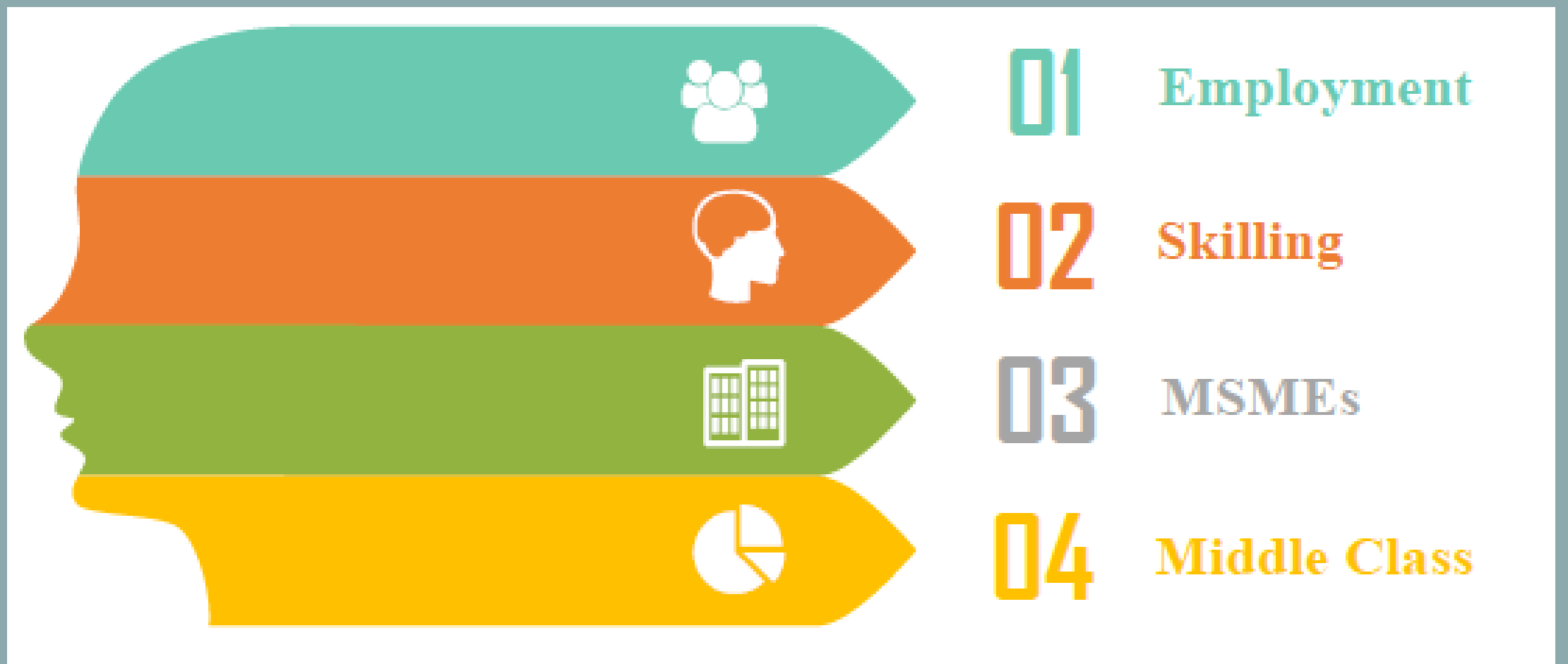
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Focus on 4 major castes



Budget Theme



ACHIEVEMENTS & MILESTONES

- India's real GDP growth is projected at 8.2%, while nominal GDP growth is estimated at 9.6% for FY 2023–24, with the industrial sector seeing a 9.5% increase.
- The fiscal deficit has been reduced to 4.9% of GDP from 5.1% in the interim budget.
- The corporate profits to GDP ratio reached a 15–year high in FY24.
- A National Cooperation Policy has been established to promote systematic, orderly, and comprehensive development of the cooperative sector.
- India is ranked 2nd globally for telecommunications and IT services exports.
- As of March 2024, foreign exchange reserves have risen to USD 646.4 billion.
- Under the 'China Plus One Strategy,' India is positioned as a viable alternative for global companies, with Apple assembling 14% of its global iPhones in India.
- India's UPI technology has accelerated the adoption of digital payments, reaching ₹200 Lakh Crores in FY24, with four ASEAN countries (Malaysia, Philippines, Singapore, and Thailand) adopting this technology.

2024-29: VISION STATEMENT

Vision for a Developed India by 2047

The budget outlines nine priority areas:

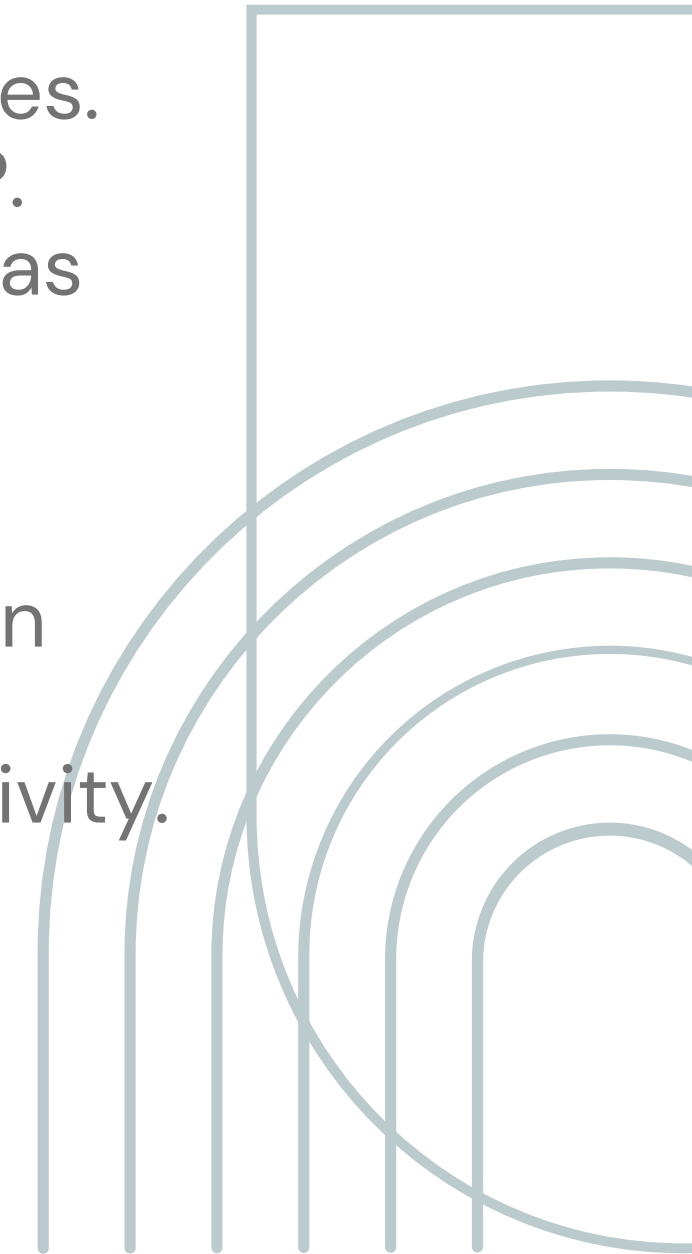
1. Productivity and Resilience in Agriculture
2. Employment and Skilling
3. Inclusive Human Resource Development and Social Justice
4. Manufacturing and Services
5. Urban Development
6. Energy Security
7. Infrastructure
8. Innovation, Research, and Development
9. Next Generation Reforms

- Over the next five years, 20 lakh youths will be skilled with an investment of ₹2 lakh crore, and more than ₹3 lakh crore will be allocated to schemes benefiting women.
- The budget emphasizes fiscal responsibility, focusing on reducing the fiscal deficit and increasing tax revenues.
- Priorities for a developed India include schemes for MSMEs, Make in India, nuclear energy, and more.
- India aims to become a 'Fintech Nation' through the adoption of AI, ML, IoT, and blockchain technology.
- The 'Purvodaya' Plan will drive comprehensive development in Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh.



2024-29: ECONOMIC BOOST INITIATIVES

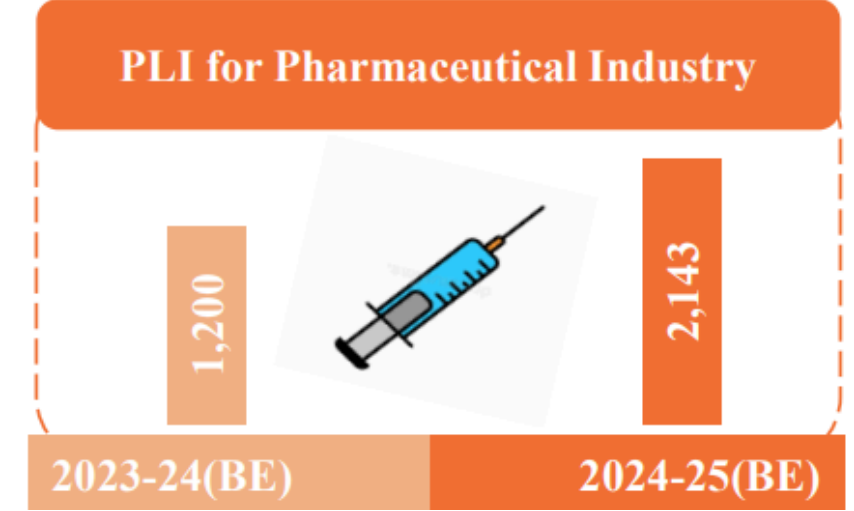
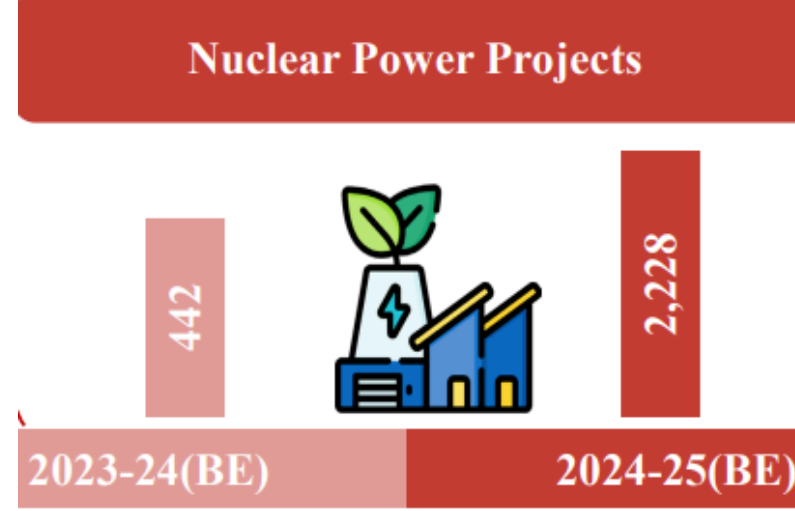
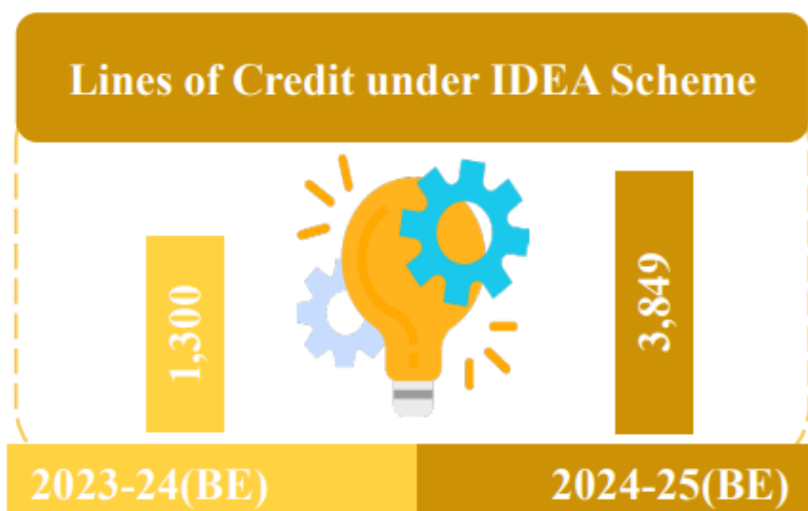
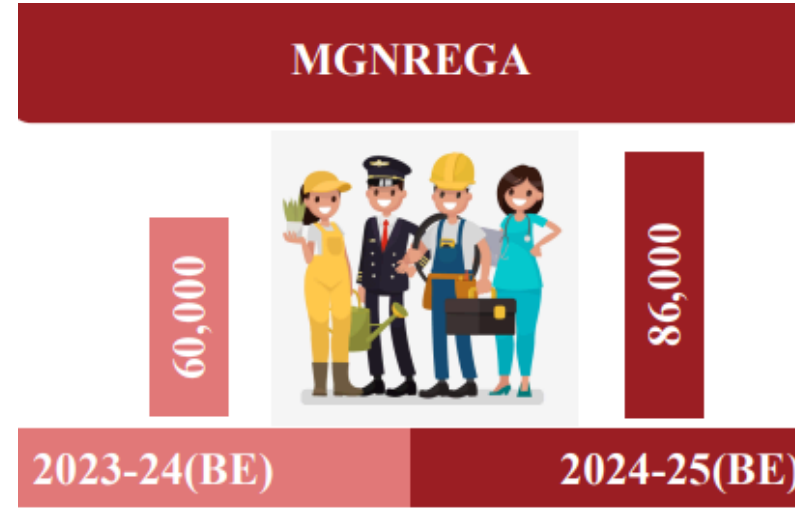
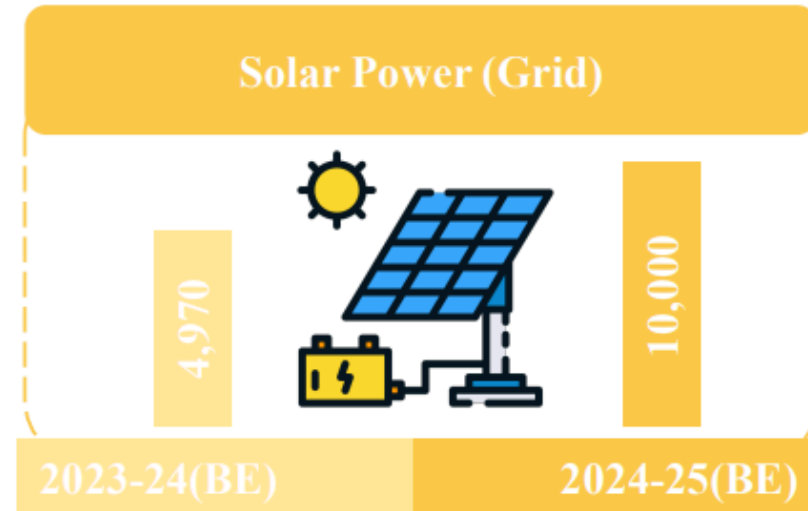
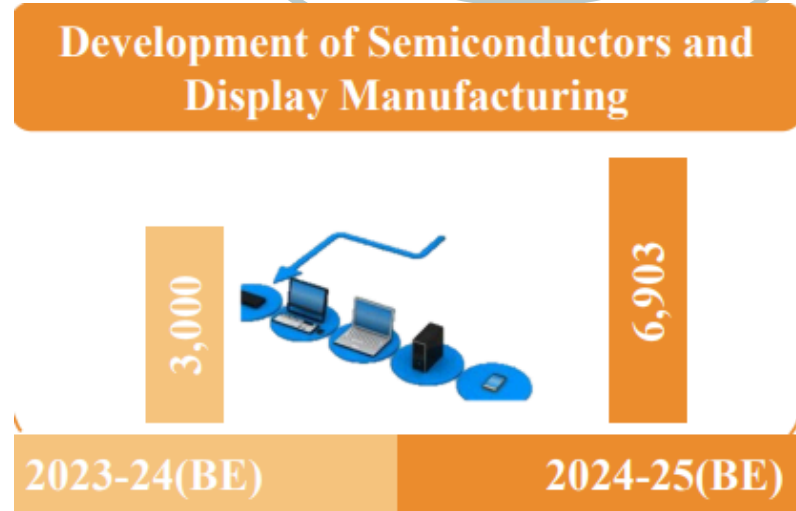
- The government will incentivize 30 lakh youths entering the job market by contributing one month of PF. Additionally, three new employment-linked schemes will be launched.
- ₹2.66 lakh crore has been allocated for rural development, including Phase IV of PMGSY, which aims to provide all-weather connectivity to 25,000 rural habitations.
- Agriculture research will be transformed through a comprehensive review to focus on increasing productivity and developing climate-resilient crop varieties.
- A capital expenditure of ₹11.1 lakh crore is proposed, constituting 3.4% of GDP.
- One crore urban poor and middle-class families will be covered under PM Awas Yojana Urban 2.0.
- Twelve industrial parks have been sanctioned under the National Industrial Corridor Development Programme.
- The turnover threshold for onboarding MSMEs to the 'TREDS' scheme has been reduced from ₹500 crore to ₹250 crore.
- ₹26,000 crore has been allocated for road development to enhance connectivity.



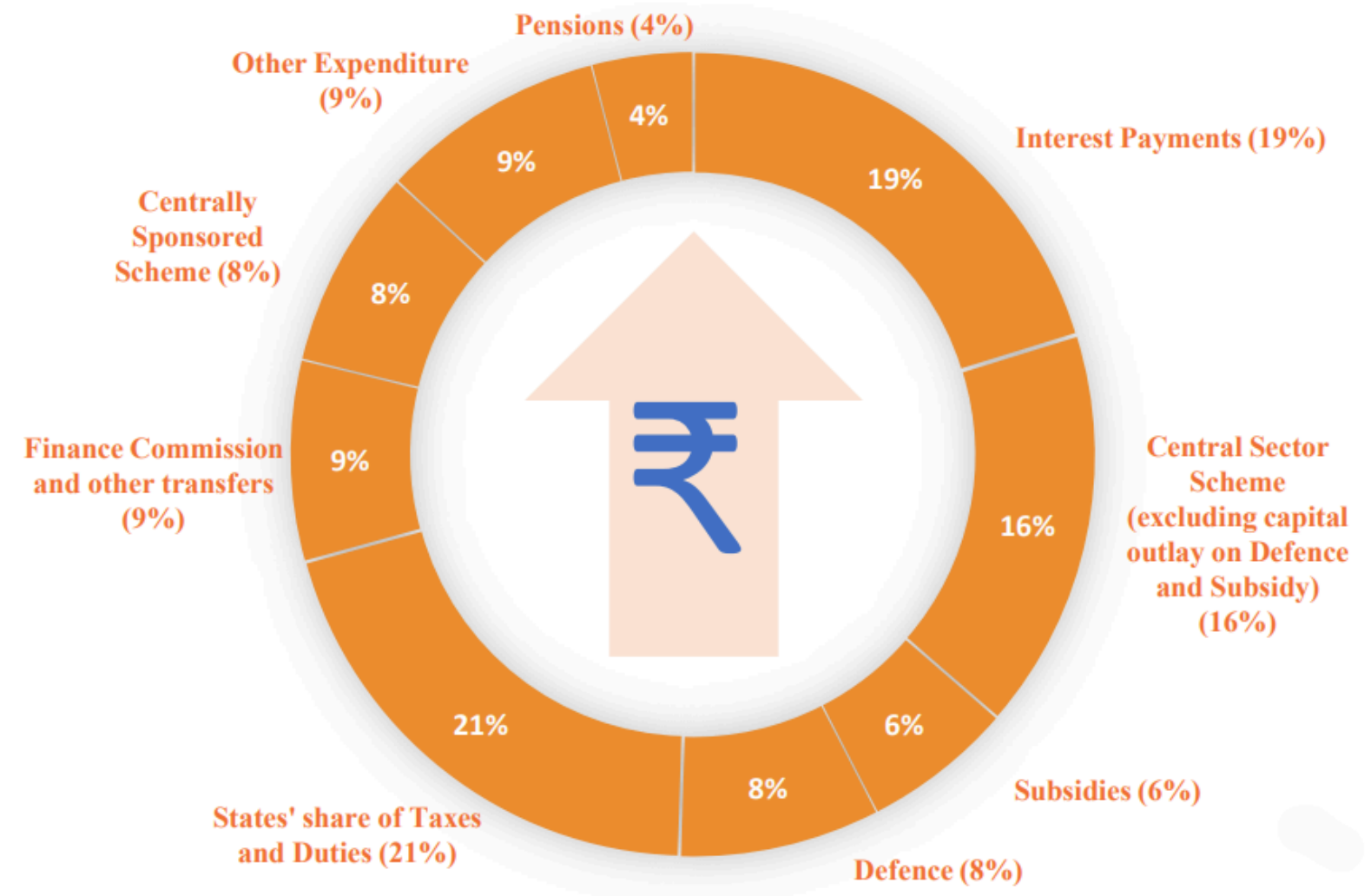
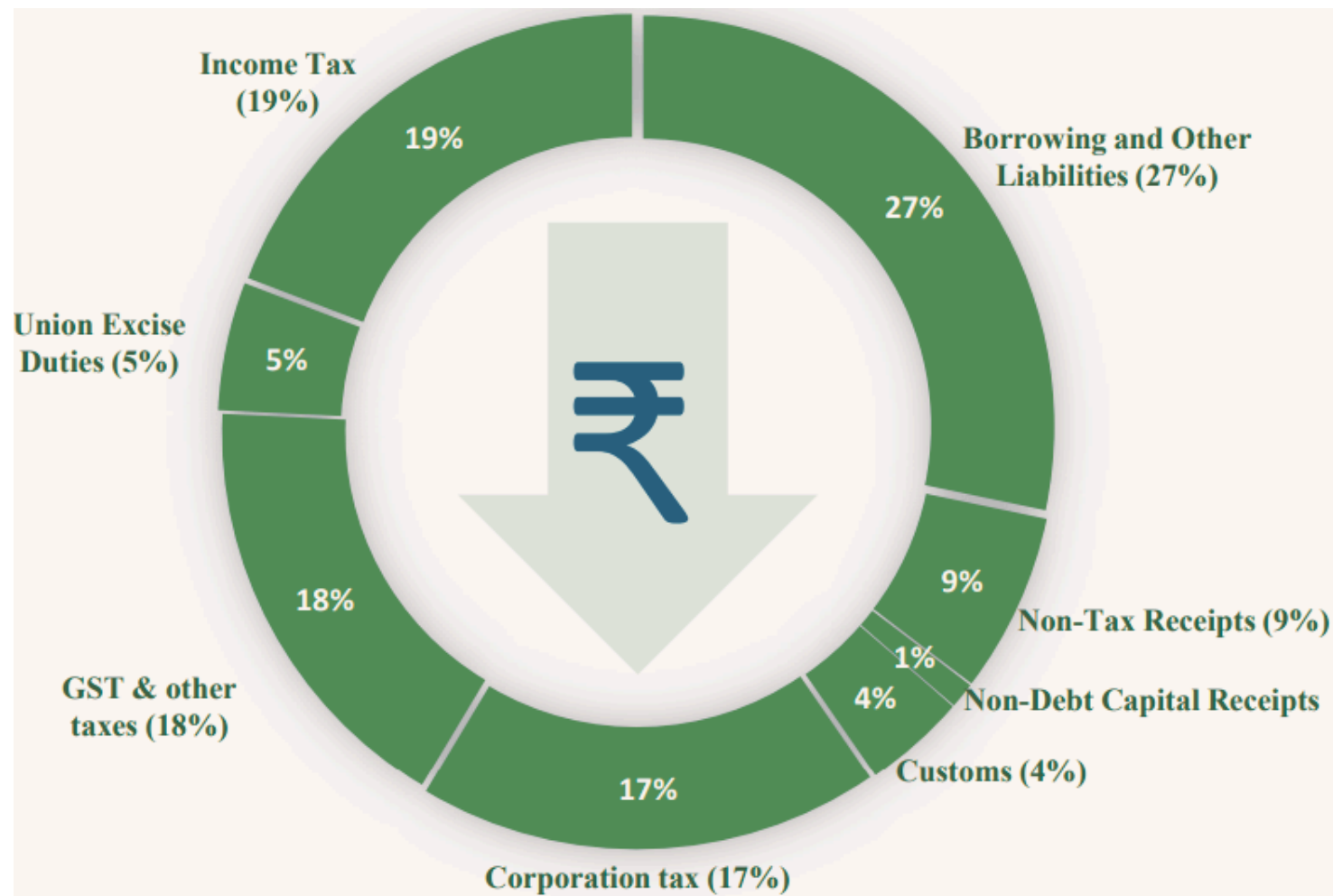
ALLOCATIONS, RECEIPTS AND EXPENDITURE



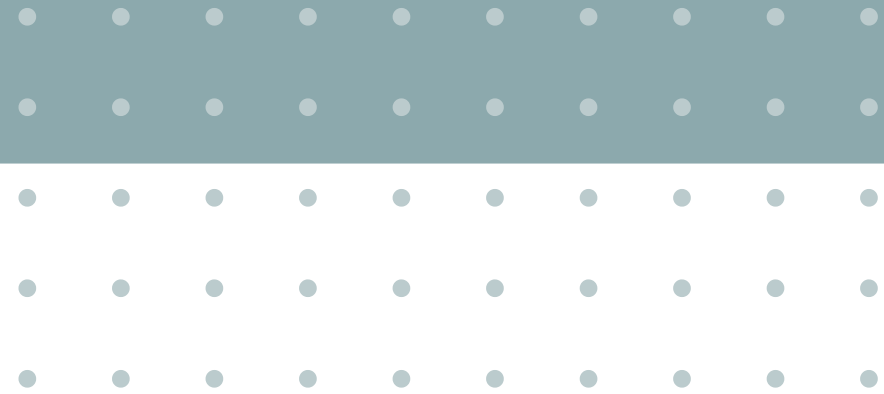
ALLOCATIONS



RECEIPTS AND EXPENDITURE



INCOME TAX



PERSONAL INCOME TAX

- Old tax regime remains unchanged. The table summarizes slab changes under new tax regime U/s. 115BAC

Income Tax Slabs (*)	New Tax Regime (Existing)	New Tax Regime (Proposed)
Upto ₹ 3,00,000	Nil	Nil
₹ 300,001 to ₹ 600,000	5%	5%
₹ 600,001 to ₹ 700,000	10%	5%
₹ 700,001 to ₹ 900,000	10%	10%
₹ 900,001 to ₹ 10,00,000	15%	10%
₹ 10,00,001 to ₹ 12,00,000	15%	15%
₹ 12,00,001 to ₹ 15,00,000	20%	20%
₹ 15,00,001 and above	30%	30%

- Deduction on family pension for pensioner, is increased from ₹15,000 to ₹25,000 (New Regime)
- Standard deduction for salaried employee is increased from ₹50,000 to ₹75,000 (New Regime)

Taxation of Capital Gains

The holding periods for long-term capital gain taxation are now standardized as follows:

1. All types of listed securities: More than 12 months
2. Other assets: More than 24 months
3. Unlisted bonds and debentures:** Will be considered short-term regardless of the holding period

Additionally, the benefit of indexation has been abolished for all types of capital assets, significantly increasing the tax burden for taxpayers who previously benefited more from indexation than from the reduction in effective tax on capital gains.

Changes in capital gains tax based on nature of asset are summarized in the next slide

- INCREASE IN LIMIT OF EXEMPTION FROM ₹ 1 LAKH TO ₹ 1.25 LAKH PER YEAR.

Tax on listed assets	Earlier	Now	Earlier	Now
	STCG	STCG	LTCG	LTCG
Listed Stocks/Shares	15%	20%	10%	12.5%*
Equity Mutual Funds	15%	20%	10%	12.5%*
Debt and non-Equity MFs	Slab rate	Slab rate	Slab rate	Slab rate
Bonds (listed)	Slab rate	20%	10%	12.50%
REITs/InvITs	15%	20%	10%	12.5%*

Tax on unlisted assets	Earlier	Proposed	Earlier	Proposed
	STCG	STCG	LTCG	LTCG
Immoveable Property	Slab rate	Slab rate	20%**	12.50%
Bonds (unlisted)	Slab rate	Slab rate	Slab rate	Slab rate
Physical Gold	Slab rate	Slab rate	20%**	12.50%
Stocks (unlisted)	Slab rate	Slab rate	20%**	12.50%
Foreign equities/debt	Slab rate	Slab rate	20%**	12.50%

NOTE: ** WITH INDEXATION BENEFIT.

CHANGES IN PROVISIONS RELATED TO INCOME FROM OTHER SOURCES AND GIFT TAXATION

- Units of Specified Mutual Funds (SMF): These are classified as short-term capital assets.
- Angel Tax on Share Premium abolished in this budget will benefit the Start Up Industry to raise funds through Equity Dilution. Previously government had levied the Tax on the Share Premium received in excess of the Fair Market Value of Shares, such difference was added as the income of the company, this provision is removed from 01st April, 2025
- Time Limit for TDS/TCS Correction/Revision Statements: 6 years have been set for filing corrections or revisions to TDS (Tax Deducted at Source) and TCS (Tax Collected at Source) statements.
- Initiation of Withholding Tax Proceedings: The time limit to start proceedings for withholding tax has been reduced from 7 to 6 years.
- Prosecution Provisions for TDS: Prosecution provisions will not be initiated if TDS has been deposited before the due date prescribed for filing the TDS statement.

CHANGES IN PROVISIONS RELATED TO INCOME FROM OTHER SOURCES AND GIFT TAXATION

- Transfer of Capital Assets by Individuals and HUF will be exempted, any transfer of Assets as gift by Company or any other Assessee will not be exempted u/s 47(iii).

CHANGES IN PROVISIONS RELATED TO ASSESSMENTS, APPEALS AND PENALTY.

1. Tax Clearance Certificate Requirements:
 - From October 1, 2024, individuals domiciled in India will need a certificate under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, in addition to existing requirements for leaving the country.
2. Transfer Pricing Officer (TPO) Referral:
 - Effective April 1, 2025, Assessing Officers (AOs) can refer cases involving specified domestic transactions to the TPO. Previously, only international transactions were covered.
3. Block Assessment Taxation:
 - Under Section 113, all income disclosed during a block period will be taxed at 60%. Previously, only undisclosed income was taxed at a higher rate.

CHANGES IN PROVISIONS REALTED TO ASSESSMENTS, APPEALS AND PENALTY.

- Reopening of Assessments:
- From September 1, 2024, several changes will apply:
- Income Tax returns under Section 148 must be filed within 3 months from the date of notice issuance, with no extensions allowed.
- AOs can only issue a notice if there is information suggesting that income chargeable to tax has escaped assessment.
- The specified authority for Sections 148 and 148A will be the Additional Commissioner or Additional Director, or the Joint Commissioner or Joint Director.
- Notices issued or orders passed under Sections 148 or 148A(d) before September 1, 2024, will follow the provisions of Sections 147, 148, 149, or 151 as they were prior to the Finance Act (2) 2024 amendment.

Widened Scope of “Information of Escaped Income”:

The budget has expanded the scope to include:

1. Information received based on risk management strategy formulated by the Board.
2. Audit objections indicating that the assessment was not in accordance with the Act.
3. Information received under agreements per sections 90 and 90A.
4. Information available to the Assessing Officer under section 135A or resulting from Tribunal or Court orders.

Information received during surveys conducted as per Section 133A after September 1, 2024

Withholding Tax

Changes in rates of withholding tax are summarized below:

Section	Present Rate	Proposed Rate	Effective Date
Section 194D: Payment insurance commission (in case of person other than company)	5%	2%	01-Apr-2025*
Section 194DA: Payment in respect of life insurance policy	5%	2%	01-Oct-2024
Section 194G: Commission etc on sale of Lottery tickets	5%	2%	01-Oct-2024
Section 194H: Payment of commission or brokerage	5%	2%	01-Oct-2024
Section 194-IB: Payment of rent by certain individuals or HUF	5%	2%	01-Oct-2024
Section 194M: Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	01-Oct-2024
Section 194O: Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.10%	01-Oct-2024
Section 194T: Remuneration to partners (firm or LLP), in excess of ₹20,000 p.a.	NA	10%	01-Apr-2025*
Section 194F: Relating to payments on account of units by Mutual Fund or Unit Trust of India	Proposed to be omitted		01-Oct-2024

RATIONALISATION

- Abolition of Angel Tax: Section 56(2)(viib) now exempts all types of investors from Angel Tax.
- Safe Harbour Rates: Introduction of safe harbour rates for foreign mining companies selling raw diamonds.
- Reduced Tax Rates for Foreign Companies: Tax rates for foreign companies have been reduced from 40% to 35%.
- Interest Limitation Exception: Limitation on interest will not apply to finance companies located in the International Financial Services Centre (IFSC).
- Transfer Pricing Assessment: Streamlining of the transfer pricing assessment procedure.
- Buyback Taxation: Buybacks will now be treated as dividends and taxed accordingly in the hands of shareholders.
- Reassessment Time Limitation: The time limit for initiating reassessment proceedings has been reduced from 10 years to 5 years.
- Increase in Remuneration Allowance Limits: There is a marginal increase in the remuneration allowance limits under section 40(b)(v) for payment of remuneration to partners, as detailed in the table below:

Change	Particulars	Allowable Remuneration
Existing	First ₹300,000 of book profit or in case of loss	₹150,000 or at the rate of 90% of book profit whichever is more
Proposed	First ₹600,000 of book profit or in case of loss	₹300,000 or at the rate of 90% of book profit whichever is more

Vivad Se Vishwas Scheme 2024

Introduction:

- The government has reintroduced the Vivad se Vishwas Scheme (VSVS) in 2024, originally launched in 2020 to reduce litigation and pending cases at various appellate levels.

Applicability:

The scheme applies to cases pending in appeal or before the Appellate Authority (CIT(A), ITAT, Dispute Resolution Panel, High Court, or Supreme Court) as of July 22, 2024.

Declaration Filing Process:

1. The assessee files a declaration as prescribed, where the tax authority will provide the tax arrear amount excluding interest and penalty.
2. The authority issues a Tax Demand Payable Certificate within 15 days of receiving the declaration.
3. Upon receiving the demand, the authority issues an order confirming the assessee has paid the amount.
4. The matter or income on which the order is passed cannot be reopened under any other law of the Income Tax Act.
5. Interest and penalty are not payable on the disputed tax demand paid under the VSVS scheme.

Vivad Se Vishwas Scheme 2024

Exclusions:

- The scheme does not apply to tax arrears related to:
- Assessments following a search under sections 132 or 132A.
- Cases where prosecution has already been initiated before the declaration filing date.
- Undisclosed income from sources outside India.
- Assessments based on information received under DTAA.
- Persons against whom notices under FEMA and the Prevention of Smuggling Act, 1974, have been initiated.
- Application Deadline:
- The last date for submitting applications under the VSVS scheme is yet to be notified by the government.

Application Deadline:

The last date for submitting applications under the VSVS scheme is yet to be notified by the government.

Other Proposals

- Relaxation of penalty provision for failure to report Foreign Asset (Other than immovable property) where the value does not exceed ₹ 20 lakhs w.e.f. 01-Oct-2024
- Reintroduction of the concept of 'block assessment' in case of search, for preceding 6 AY's
- Equalization levy @ 2% by e-commerce operators (for non-resident), to be omitted from 01-Aug-2024
- Monetary limits for filing appeals by the revenue in the tax tribunals, High Courts and supreme courts increased to ₹60 Lakhs, ₹2 Crore and ₹5 Crore respectively.
- Rental income from residential house property to be taxable under 'Income from House Property' only
- Changes in STT Rates w.e.f 01-Oct-2024

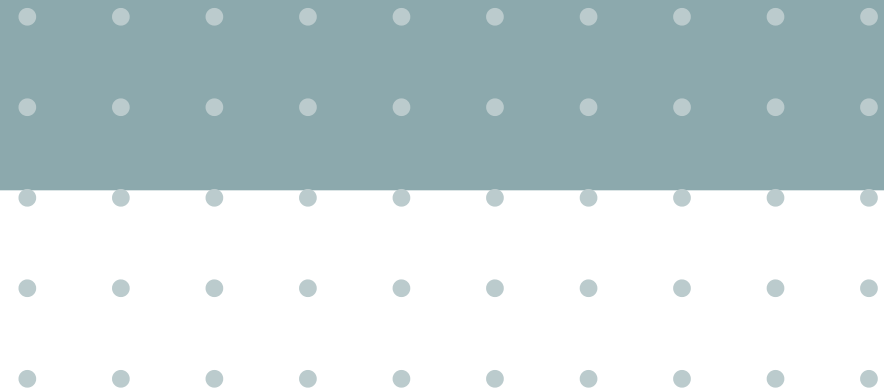
Particulars	Futures	Options
Current STT rates	0.0125%	0.0625%
Proposed STT rates	0.02%	0.1%



INDIRECT TAX



GOODS AND SERVICE TAX



CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX

GST Exemption:

- GST will not be levied on un-denatured extra natural alcohol or rectified spirit used for manufacturing alcoholic liquor for human consumption.

New Section 11A:

- GST Officers cannot recover short levy or non-levy of GST if it was due to a prevailing general business practice.

Reverse Charge Mechanism (RCM):

- Issuing a self-invoice is mandatory when dealing with unregistered persons.

New Section 16(5):

- For availing Input Tax Credit (ITC) for invoices or debit notes from financial years 2017-18 to 2020-21, the registered person can claim ITC in any return filed up to November 30, 2021.

Revoked Registration:

- If a registration cancelled under Section 29 is revoked, the person can claim ITC for invoices or debit notes up to November 30 following the financial year, or within 30 days of the order of revocation, whichever is later.

CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX

6. Blocking of ITC:

- ITC blocking provisions under sections 74, 129, and 130 are now restricted to demands raised under section 74 up to FY 2023–24. ITC cannot be blocked for demands under sections 129 and 130.

7. Tax Deduction at Source (TDS):

- Every person required to deduct tax at source under section 51 must electronically file a return every calendar month, even if no deductions were made during that month

8. Refund of Unutilised ITC:

- Refund of unutilized ITC is restricted for goods liable for export duty.

9. Representation by Authorised Representatives:

- Authorised representatives can now appear before the authority on behalf of the person to whom a summons is issued.

10. New Section 74A:

- This section addresses the determination of tax not paid, short paid, erroneously refunded, or ITC wrongly availed/utilised for any reason starting from the financial year 2024–25 onward.

CHANGE IN PROVISIONS OF GOODS AND SERVICE TAX

Pre-Deposit Amounts:

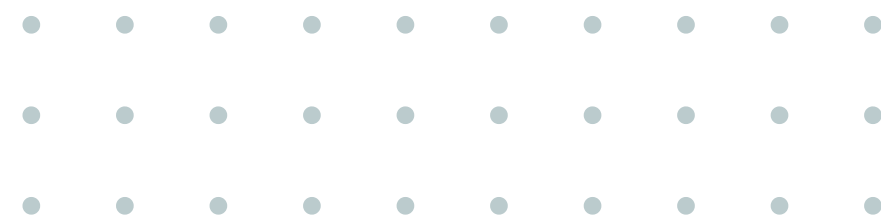
- The maximum amount of pre-deposit for filing an appeal is reduced from 25 crore to 20 crore.
- For filing an appeal before the appellate tribunal, the pre-deposit requirement is reduced from 20% to 10%, with the maximum pre-deposit amount also reduced from 25 crore to 20 crore

Determination of Tax and Refund Demands:

- Current provisions govern tax demands (unpaid, short paid, wrongly availed/utilized ITC) and refund demands based on fraud or non-fraud cases.
- A new Section 74A will streamline these processes for both fraud and non-fraud cases from FY 2024-25 onward. Existing provisions will apply up to FY 2023-24.

GST: LEVY UNDER SECTION 74A

Particulars	Section 73 (upto 2023-24)	Section 74 (upto 2023-24)	Section 74A (w.e.f 2024-25)	
Applicability	Without intention to evade tax	By reason of fraud or any wilful misstatement or suppression of facts with an intention to evade tax	Both	
SCN	3 months prior to the time limit to issue order	6 months prior to the time limit to issue order	Within 42 months from the due date for furnishing of annual return for the financial year or within 42 months from the date of erroneous refund	
Order	Within 3 years from the due date for furnishing of annual return for the financial year or within 3 years from the date of erroneous refund	Within 5 years from the due date for furnishing of annual return for the financial year or within 5 years from the date of erroneous refund	Within 12 months from the date of issuance of notice	
Penalty	Before SCN: Nil Within 30 days of SCN: Nil Otherwise: 10% of tax or INR 10,000 whichever is higher	Before SCN: 15% Within 30 days of SCN: 25% Within 30 days of Order: 50% Otherwise: 100%	<u>Without Evasion</u> Before SCN: Nil Within 60 days of SCN: Nil Otherwise: 10% of tax or INR 10,000 whichever is higher	<u>With Evasion</u> Before SCN: 15% Within 60 days of SCN: 25% Within 60 days of Order: 50% Otherwise: 100%
Conclusion	Deemed Closure if Order is not issued within prescribed time limit [Section 75(10)]			



GST: Amnesty Scheme

Full waiver of interest and penalty will be granted if disputed tax is paid, on or before notified date, for the period 2017-18, 2018-19 and 2019-20 or part thereof, against the following:

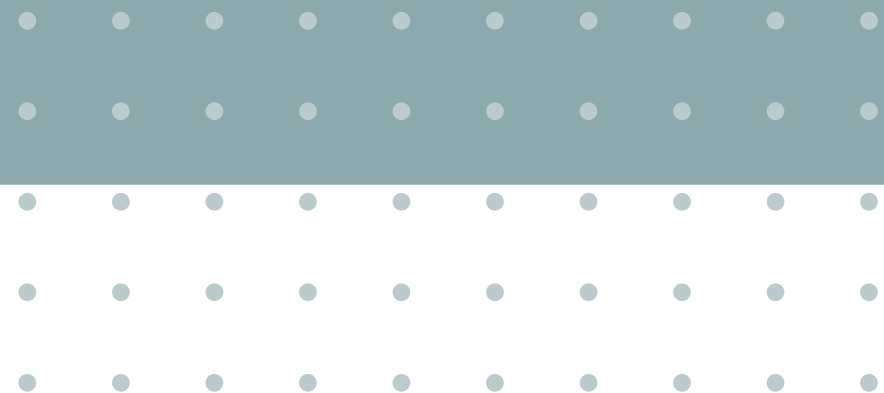
- a) Notice u/s. 73 (1) or Statement u/s. 73(3), pending adjudication Order
- b) Order pending before Appellate Authority or with Revisional Authority
- c) Appeal pending before Tribunal (to be filed or filed, in case it is formed)

Benefit of amnesty allowed in case notices are issued u/s. 74(1) and on appeal, are held to be covered u/s. 73

In case of department appeal, if appellate authority issues order to pay additional tax (over and above disputed), the applicant will need to pay the said amount, within three months from date of Order

- On payment of tax under the scheme, all proceeding are deemed to be concluded. In this regard, refund of any interest or penalty already paid, will not be allowed
- Amnesty scheme is not applicable for erroneous refund
- Appeal or writ filed, if any, has to be withdrawn on or before the notified date for availing amnesty scheme
- No further appeal shall be allowed against the Amnesty Order

CUSTOMS



CHANGES IN CUSTOMS

SProof of Origin for Trade Agreements:

- Section 28DA has been amended to allow different types of proof of origin as specified in trade agreements, aligning with new trade agreements that permit self-certification.

MOOWR Scheme:

- Section 65 is amended to empower the Government to notify classes of goods that are not permitted under the Manufacture and Other Operations in Warehouse Regulations (MOOWR) Scheme.

GST Compensation Cess Exemption:

- SEZ units and developers are exempt from GST Compensation Cess retrospectively from July 1, 2017.

Export Time Limits for Aircraft and Vessels:

- The time limit for exporting aircraft and vessels imported for maintenance, repair, and overhauling has been increased from six months to one year.

Reimport Time Limit Extension:

- The time limit for reimporting goods without payment of duty, previously exported under warranty, has been extended from three years to five years.

Review of Conditional Exemptions/Concessional Rates:

- A comprehensive review of 188 conditional exemptions and concessional rates has been conducted, resulting in either extending or restricting the period of exemption

CHANGES IN CUSTOMS

HSN	Description of Goods	Current Rate	Proposed Rate	Effective Date
3002	Trastuzumab, Deruxtecan, Osimertinib (for cancer treatment)	10%	Nil	24-Jul-2024
9022 30 00	X-ray tubes, Flat panels detectors for use in medical X-ray machines	15%	5%	24-Jul-2024
71	Gold and Silver bar, Silver articles and ornaments	10%	5%	24-Jul-2024
8517 79 10	Printed Circuit Board Assembly (PCBA) of cellular mobile phone	20%	15%	24-Jul-2024
8504 40	Charger or Adapter of cellular mobile phone	20%	15%	24-Jul-2024
8517 13 00 or 8517 14 00	Cellular mobile phone	20%	15%	24-Jul-2024
3208, 3815, 3901, or 3920	Trimethylolpropane Tri acrylate (TMPTA) for EVA or POE; EVA or Polyolefin Elastomers (POE) Additive – Taicross	Newly inserted	Nil	24-Jul-2024
8507	Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles.	15	Nil	01-Oct-2024
2301 20	Krill meal for use in manufacture of aquatic feed	5%	Nil	24-Jul-2024
2102 20 00	Algal Prime (flour) for use in manufacture of aquatic feed	15	Nil	24-Jul-2024
1207 99 90	Shea nuts	30%	15%	24-Jul-2024
1504 20	Crude fish oil for use in manufacture of aquatic feed	Newly inserted	Nil	24-Jul-2024
2309 90 31	Prawn and shrimps feed	Newly inserted	5%	24-Jul-2024
2309 90 90	Single Cell Protein from Natural Gas for use in research and development purposes in aquatic feed manufacturing	Newly inserted	5%	24-Jul-2024

THANK YOU

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