



Budget 2024

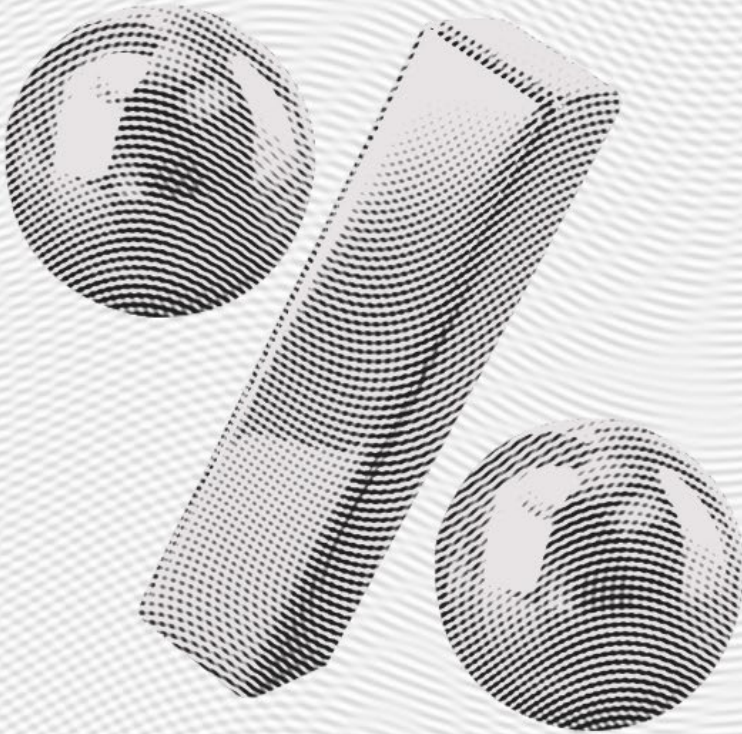


Overall Comment

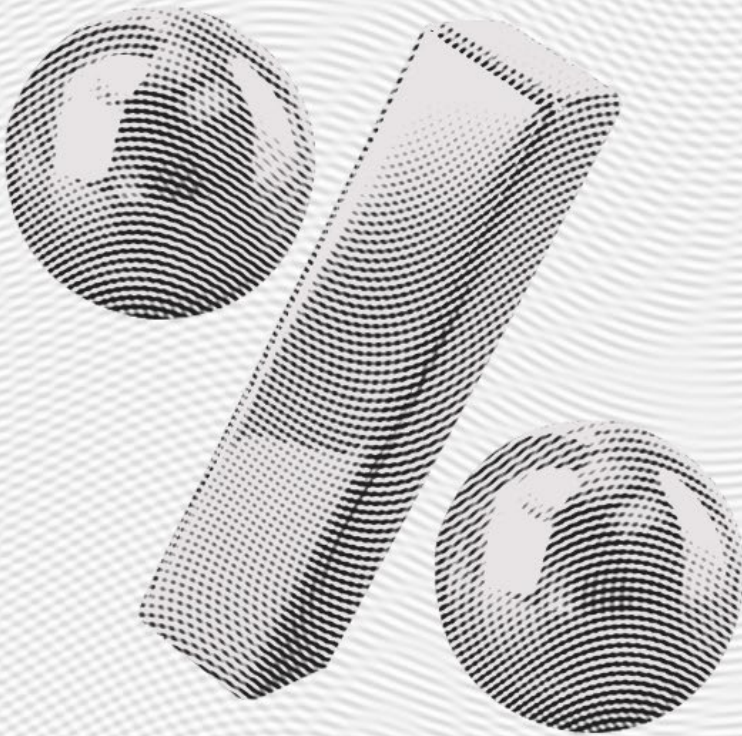


India's Union Budget FY 2025-26 clearly suggests a movement towards a simplified tax regime with increased focus on tax administration. It hints at stability with continuation of efforts towards a new income tax code with lesser incentives and exemptions. The Budget provides direction, including priority areas and developmental plans for the next five years. Also mentioned was a review of Foreign Direct Investment and Overseas Direct Investment rules, which assumes significance due to an ever-expanding role India plays in the global economy. Over the next few pages, our team has tried to highlight and summarise the key points of the Budget, with as much brevity and editing skills as is possible.

Direct Tax



Corporate Tax Proposals



Corporate Taxpayers



Business Profits

- Tax rate applicable to Foreign Companies reduced from 40% to 35% from FY 2024-25.
- Income from letting out of a residential house or a part of the house by the owner shall not be chargeable under the head PGBP and shall be chargeable under the head "Income from house property" only (Section 28). This amendment dilutes the impact of Supreme Court ruling in the case of Chennai Properties which allowed for such income to be treated as PGBP income;
- No deduction for any expenditure incurred by an assessee to settle proceedings initiated in relation to a contravention under any law for the time being in force, as may be notified by the Central Government in the Official Gazette in this behalf (Section 37);
- The limit on deduction for remuneration paid to working partners in a firm enhanced as under [Section 40(v)]:

Book Profit (in INR)	Deduction amount (in INR)
First 600,000 (earlier 300,000)	<ul style="list-style-type: none">▪ 300,000 (earlier 150,000); or▪ 90% of Book profits whichever is higher
Balance	60% of the Book profits

- Removal of reference to National Housing Bank in Section 43D;
- Expenditure which is not admissible under the provisions of section 37 in computing the profits and gains of a business shall be added back to the profits and gains of the life insurance business (Section 44 read with First Schedule);
- Replacement of Section 44B, applicable to shipping companies, with a new provision which will apply to Cruise ships and the profit shall be computed at 20% of the amount received or receivable and paid or payable on account of the carriage of passengers against 7.5% provided in Section 44B (insertion of Section 44BBC);
- Angel Tax provisions to not apply from AY 2025-26 onwards [Section 56(2)(viib)]

Note: All the above amendments to apply from AY 2025-26

Securities Transaction Tax (‘STT’)



Proposal to change the STT

STT	Earlier	Proposed
Option in Securities	0.0625% of the Option premium	0.1% of the Option premium
Futures in Securities	0.0125% of the Intrinsic value	0.02% of the future price

Note: The above amendments to apply from October 1st, 2024

Buy-back of Shares



Proposals relating to buy-back of shares

- Payment by company on account of buy-back to be treated as dividend in the hands of the recipient [insertion of clause f to Section 2(22)];
- Buy back tax under Section 115QA and exemption under Section 10(34A) to not apply;
- Provisions of TDS to be applicable on the dividend (Section 194);
- Cost of acquisition to be allowed as capital loss, considering an extinguishment of right for the shareholder, after deeming the consideration to be Nil (Section 46A)

Note: All the above amendments to apply from October 1st, 2024

Liaison Office ('LO')



Filing of statement by LO

- Timeline to file the said statement, currently 60 days from the end of the FY, to be henceforth governed by the Rules (Section 285);
- Failure to file to attract a penalty of INR 1,000 per day where the default is for a period of less than 3 months, and INR 100,000 otherwise (insertion of Section 271GC);
- Penalty may however, not be levied where the taxpayer proves that there was a reasonable cause for the said failure (Section 273B)

Note: All the above amendments to apply from April 1st, 2025

Refund

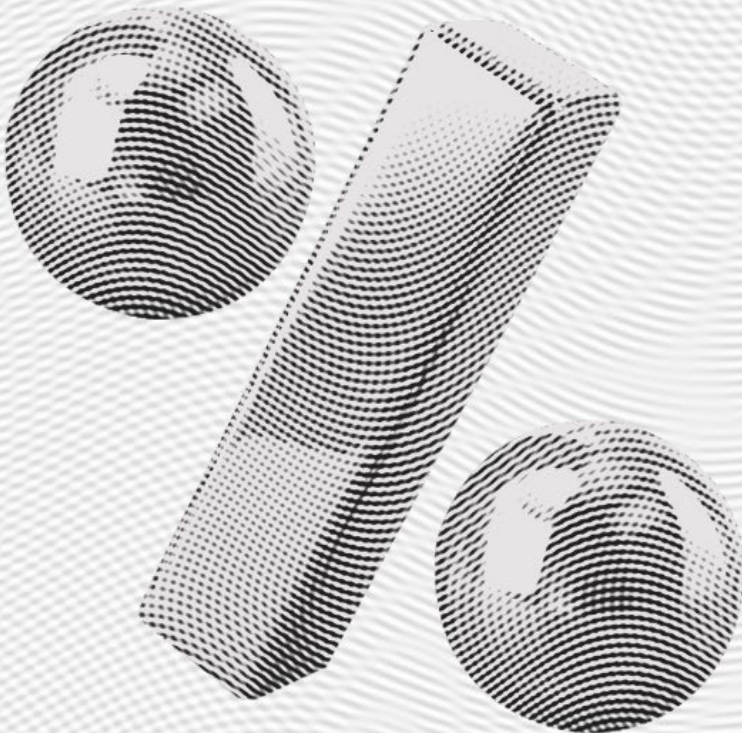


Power to withhold refunds

- The period of withholding of refund is extended till 60 days from the date on which assessment or reassessment is made [Section 245(2)];
- Additional Interest not applicable during such time on the refund so withheld under the provisions of Section 245(2) [Section 244A(1A)]

Note: All the above amendments to apply from October 1st, 2024

Charities



Charitable Institutions



Combining of 2 regimes

- Sunset proposed under the first regime under Section 10(23C) from October 1st, 2024;
- Applications for approval and provisional approval filed before October 1st, 2024 will be processed under Section 10(23C) itself and those filed subsequently, will not be considered;
- Current registrations under 10(23C) shall remain valid until the validity of the said approval, and the applications for renewal filed after October 1st, 2024 will be filed under Section 12A and 80G;
- Investment modes prescribed under Section 10(23C) will be covered under Section 13

Timelines for processing of applications

Timeline where provisionally registered / approved trusts or funds or institutions apply for registration / approval or where registered / approved trusts or funds or institutions apply for further registration / approval under section 12AB or section 80G, amended to 6 months from the end of the quarter (previously end of the month) in which the applications under Sections 12A and 80G have been filed.

Delay in filing for approvals

- Pr.CIT / CIT empowered to condone the delay in filing of applications under Section 12A(1)(ac);
- Regarding 80G, the same may be filed anytime after the activities have been commenced.

Note: The above amendments to apply from October 1st, 2024

Charitable Institutions



Merger of trusts under exemption regime with other Trusts

Such merger shall attract the provisions of Accreted income, unless the below conditions in newly proposed Section 12AC are met:

- the other trust or institution has same or similar objects;
- the other trust or institution is registered under section 12AA or section 12AB or approved under sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10, as the case may be; and
- the said merger fulfils such conditions as may be prescribed.

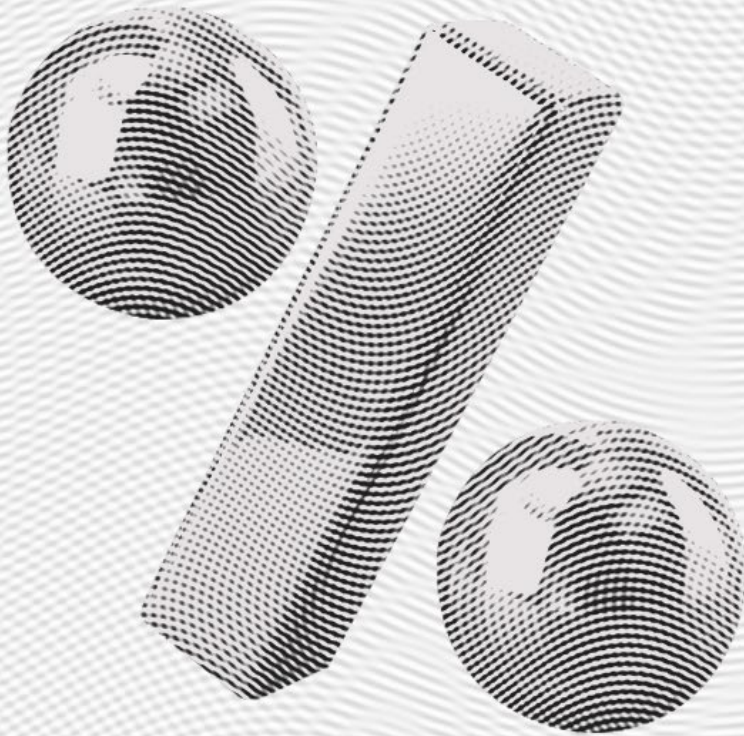
Note: The above amendments to apply from April 1st, 2025

Other proposals

Amendment of Section 80G(2)(a)(iihg) to replace National Sports Development Fund instead of National Sports Fund

Note: The above amendments to apply from AY 2025-26

Individual Taxpayers



Individual Taxpayers



Revised tax rate under new tax regime

Section 115BAC provides for an individual/ HUF/ AOP/ BOI to pay taxes at a lower rate by forgoing certain deductions. As per the new tax regime, the revised slab rate shall be as under:

Income (in INR)	Tax Rate
Upto 3,00,000	NIL
From 3,00,0001 to 7,00,000	5%
From 7,00,001 to 10,00,000	10%
From 10,00,001 to 12,00,000	15%
From 12,00,001 to 15,00,000	20%
Above 15,00,000	30%

Note – The said tax rate shall be applicable from AY2025-26

Individual Taxpayers



Enhanced Deductions for Salary and Pension

Standard deductions against the salary income and deductions against the family pension have been enhanced.

Deduction	Regime	Existing Provisions	Proposed Provisions
Standard Deduction (against salary income)	Old Regime	INR 50,000	INR 50,000
	New Regime	INR 50,000	INR 75,000
Deduction for Family Pension	Old Regime	33% of such income or INR 15,000, whichever is less)	33% of such income or INR 15,000, whichever is less)
	New Regime	33% of such income or INR 15,000, whichever is less)	33% of such income or INR 25,000 , whichever is less)

Note - These enhanced limits are applicable from AY 2025-26.

Individual Taxpayers



Enhanced Deduction for NPS Contribution

The enhanced limit has been prescribed for employers' contributions to the NPS scheme for non-government employers and their employees. The limit has been enhanced from 10% to 14%.

The effect of the enhanced limit is as under –

For the employer

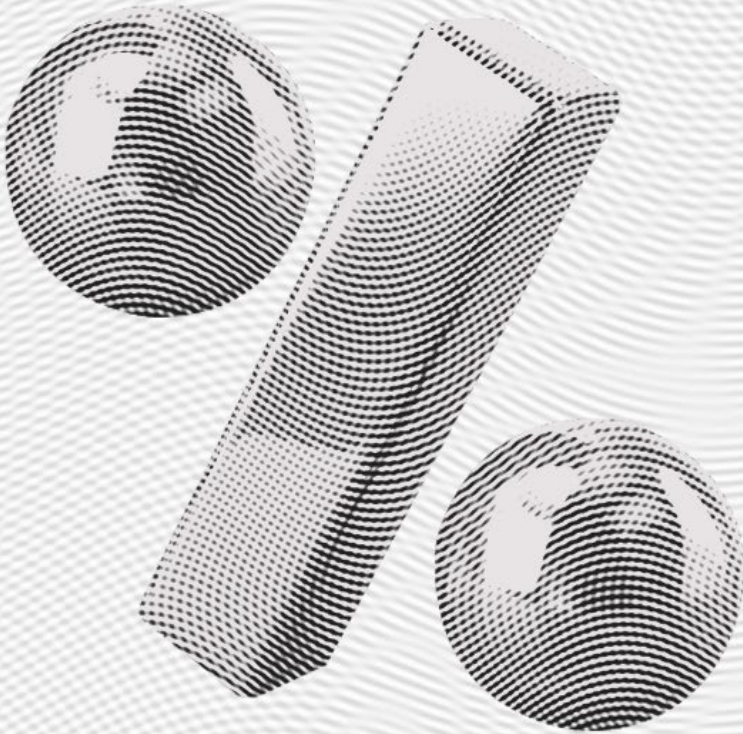
As per provisions of Section 36(1)(iva), the employer shall be allowed a deduction to the extent of 14% of the salary of the employee for the contribution made by the employer.

For the employee

As per the provisions of Section 80CCD(2), an employee shall be allowed a deduction to the extent of 14% of the employee's salary if any contributions are made by an employer (other than the central government or state government) to the NPS scheme. The enhanced limit is applicable only in the case where the employee has opted for new tax regime.

Note - These said amendments shall be applicable from AY 2025-26.

Capital Gains



Capital Gains



Revised Period of Holding

There shall be only two holding periods i.e., 12 months/ 24 months for categorizing an asset to be a short-term or long-term asset.

The period of holding shall be as under –

Asset Type	Existing Provisions		Proposed Provisions	
	Short term	Long term	Short term	Long term
All listed Securities	<12 months	>12 months	<12 months	>12 months
Unlisted Securities	<24 months	>24 months	<24 months	>24 months
Units of business trusts	<36 months	>36 months	<12 months	>12 months
Specified Mutual* Funds, Market Linked Debentures	Always short-term		Always short-term	
Unlisted Bonds & Debentures	<36 months	>36 months	<24 months	>24 months
Listed Bonds & Debentures	<12 months	>12 months	<12 months	>12 months
Immovable Property	<24 months	>24 months	<24 months	>24 months
Other Assets	<36 months	>36 months	<24 months	>24 months

*Specified Mutual Funds include debt-oriented mutual funds as per the provisions of Section 50AA

Note - These said amendments shall be applicable from 23rd July 2024.

Capital Gains



Revised Tax rates on Capital Gains

The tax rates applicable to Capital Gains income have been revised. The new tax rates shall be as under:

Asset Type	Existing Provisions		Proposed Provisions	
	Short term	Long term	Short term	Long term
All listed Securities (if STT paid)	15%	10% (on gains exceeding INR 1 Lakh)	20%	12.5% (on gains exceeding INR 1.25 Lakh)
Unlisted Securities	Slab Rate	20% (with indexation benefits)	Slab Rate	12.5% (without indexation benefits)
Units of business trusts	15%	10% (on gains exceeding INR 1 Lakh)	20%	12.5% (on gains exceeding INR 1.25 Lakh)
Specified Mutual Funds, Market Linked Debentures	Slab Rate		Slab Rate	
Unlisted Bonds & Debentures	Slab Rate	20% (without indexation benefits)	Slab Rate	Slab Rate
Listed Bonds & Debentures	Slab Rate	20% (without indexation benefits)	Slab Rate	12.5% (without indexation benefits)
Immovable Property	Slab Rate	20% (with indexation benefits)	Slab Rate	12.5% (without indexation benefits)
Other Assets	Slab Rate	20% (with indexation benefits)	Slab Rate	12.5% (without indexation benefits)

Notes:

- The indexation benefit shall not be available for any class of asset sold (long-term capital asset)
- To bring parity of taxation between residents and non-residents, corresponding amendments have been made to sections 115AD, 115AB, 115AC, 115ACA and 115E (Sections applicable to non-residents)

Note - These said amendments shall be applicable from 23rd July 2024.

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Capital Gains



Amendment in provisions of Section 50AA

Broadening the definition of 'Specified Mutual Fund'

Existing Provision:

As per the current definition provided in Section 50AA, a specified mutual fund means a mutual fund where not more than thirty-five per cent of its total proceeds is invested in the equity shares of domestic companies.

Proposed Provision:

The definition has been amended to include only the following:

- (a) Mutual fund which invests more than 65% of its total proceeds in debt and money market instruments, or
- (b) Fund which invests 65% or more of its total proceeds in units of fund mentioned in (a) above.

Note – These amendments shall be applicable from AY2026-27

Inclusion of unlisted bonds and debentures within the scope of Section 50AA

The provisions of Section 50AA have been amended to include unlisted bonds and debentures within its ambit. Therefore, gains on the sale of unlisted bonds and debentures shall always be considered Short-term irrespective of the holding period and will be taxable at Slab rates applicable to taxpayers.

Note – These amendments shall be applicable from 23rd July 2024.

Capital Gains



Amendment in provisions of Section 47

Existing Provision:

As per the current provisions of Section 47(iii), any transfer under a gift, will or irrevocable trust shall not be regarded as a transfer. Therefore, no capital gains shall arise on the same.

Proposed Provision:

As per the proposed amendment, any transfers by an Individual or HUF under gift, will or irrevocable trust shall not be treated as transfer and no gain shall arise on such transfer. Earlier there was no restriction on the gift given by the company/ LLP or another other taxpayer. Now, the gift by an individual or HUF only shall not be treated as a transfer.

Note – These amendments shall be applicable from AY2025-26

Capital Gains



Cost of acquisition of shares in case of OFS

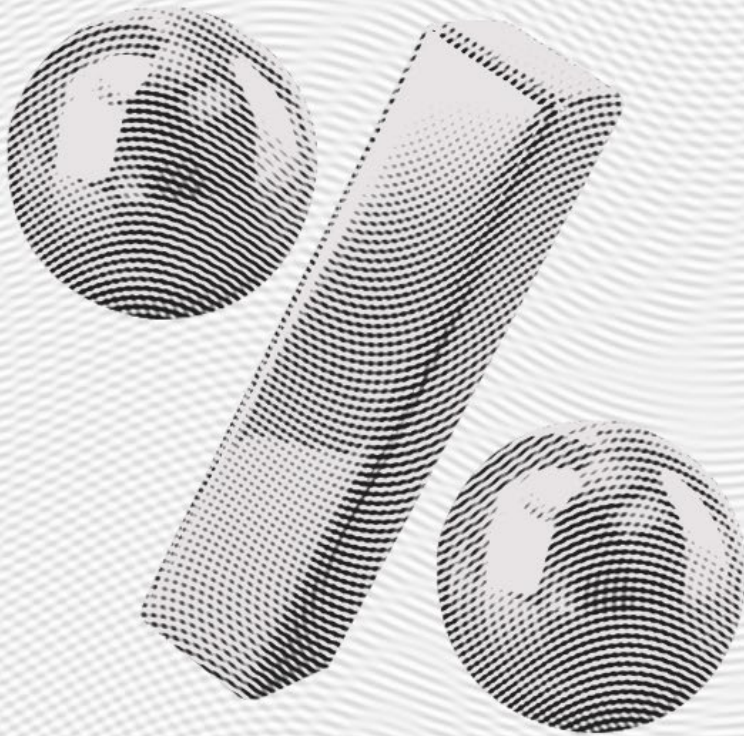
Currently, the taxpayers who are selling the shares in Offer for Sale (OFS) have taken the position that in the absence of express provisions given to compute the cost of acquisition of such shares, the capital gains arising on such transfer shall not be chargeable to tax. Given the same and to plug the loophole, the amendment has been proposed.

Proposed Provisions:

As per the proposed amendment, the cost of acquisition of shares sold in an Offer for Sale (OFS) shall be the amount paid for the acquisition of such shares adjusted according to the Cost Inflation Index of the FY 2017-18 and the year in which the shares were purchased or FY 2001-02 (whichever is later).

Note – These amendments shall be applicable retrospectively from AY 2018-19

Tax Deducted at Source/Tax Collected at Source



Revision in the rates of TDS

With the view to easing the compliance of the taxpayers, a uniform rate of TDS of 2% has been prescribed under the different TDS provision. The details of TDS rate are as under –

Section	Existing Rate	Proposed Rate	Effective Date
Section 194D - Payment of insurance commission (in case of person other than company)	5%	2%	01 st April 2025
Section 194DA - Payment in respect of life insurance policy	5%	2%	01 st October 2024
Section 194G – Commission etc on sale of lottery tickets	5%	2%	01 st October 2024
Section 194H - Payment of commission or brokerage	5%	2%	01 st October 2024
Section 194-IB - Payment of rent by certain individuals or HUF	5%	2%	01 st October 2024
Section 194M - Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	01 st October 2024
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	01 st October 2024
Section 194F relating to payments on account of repurchase of units by Mutual Fund or Unit Trust of India		Proposed to be deleted	01 st October 2024

Note: This amendment is applicable from 1st October 2024.



Ease in claiming credit of TCS for salaried employees

Existing Provision:

Provisions of Section 192(2B), provide that the employer shall consider the other income and TDS thereon of the employee while calculating the TDS on the salary income. However, no reference was provided for the TCS of the employee.

Proposed Provision:

It has been proposed that employers shall also consider the TCS while calculating TDS on the salary income.

Note: This amendment shall be applicable from 01st October 2024.

Revision in the rates of TDS for Non-residents

The revised rate of TDS for income paid to non-resident shall be as under –

Section	For transfers taking place before 23 rd July 2024	For transfers taking place on or after 23 rd July 2024
For long-term capital gains referred to in section 115E	10%	12.5%
For long-term capital gains referred to in sub-clause (iii) of clause (c) of subsection (1) of section 112	10%	This clause is not applicable for transfers on or after 23 rd July 2024
For long-term capital gains referred to in section 112A exceeding one lakh Twenty-five thousand Rupees	10%	12.5%
For long-term capital gains [not being long term capital gains referred to in clauses (33) and (36) of section 10]	20%	12.5%
For short-term capital referred to in the section 111A	15%	12.5%



Revised interest rate on late deposit of TCS

Existing Provision:

As per the provisions of Section 206C(7), a person who fails to collect or collects but fails to deposit TCS with the Government before the due date shall be liable to pay a simple interest of 1% for every month or part of the month for the period of default.

Proposed Provision:

The interest rate for a late deposit of TCS shall be as under –

Situation	Interest rate
TCS not collected	1% per month or part of the month
TCS collected but not deposited	1.5% per month or part of the month

The interest rates on TCS defaults are now in line with the interest on TDS defaults.

Note: This amendment shall be applicable from 01st April 2025.



TDS on payment of salary and other remuneration to a partner

As per the proposed Section 194T, the firm shall be required to withhold TDS at the rate of 10% on the salary, remuneration, interest, bonus, or commission payments made to partners by the firm. However, no deduction shall be made in case the aggregate amount paid to a partner is less than INR 20,000 in a financial year.

Note: This amendment shall be applicable from 01st April 2025.



Time barring for correction of TDS/TCS statements

Existing Provisions

Section 200 and Section 206C duly provide a time limit for furnishing TDS/TCS statements. The said sections also provide that a taxpayer may correct the statements so furnished as and when required. However, there is no time limit prescribed for furnishing a correction statement.

Proposed Provisions

It has been proposed to amend Section 200 and Section 206C to provide that no correction statements can be furnished after the expiry of six years from the end of the year in which the original statement was filed.

Note: This amendment shall be applicable from 01st April 2025.

Other Amendments

TCS on Luxury Goods

The TCS at the rate of 1% shall be applicable to the luxury goods sold. The said provisions are in line with TCS on luxury car sales. The TCS shall be applicable on goods sold exceeding INR 10 Lakh. The luxury goods on which such TCS shall be applicable shall be notified by CBDT in due course. The said amendment shall be applicable from 01st January 2025.

Amendment on TDS on immovable property

It has been amended that TDS under Section 194-IA shall be deducted on the total sales consideration of an immovable exceeding INR 50 Lakh, irrespective of the number of buyers or sellers in one transaction. Therefore, wherever the sales consideration of the property is more than INR 50 Lakh, then the TDS provision shall be applicable. The said amendment shall be applicable from 01st October 2024.

TCS Credit allowed to parents for the TCS deposited on the PAN of the minor

It has been proposed that the parent in whose hands the income of the minor has been clubbed shall be allowed to take the credit of the TCS as reflected on the PAN of the minor. The CBDT shall prescribe the rules in this regard in due course. The said amendment shall be applicable from 01st January 2025.

The foreign income shall be offered to tax on a gross basis

It has been proposed that the persons earning incomes from outside India shall offer to tax their foreign-sourced incomes in India on a gross basis (i.e., incomes received + taxes withheld) provided they are allowed credit for such taxes in India. The said amendment shall be applicable from 1st April 2025.

Incomes covered under Section 194J will not be covered under Section 194C

It has been proposed to amend the definition of 'work' under Section 194C to exclude any such income already covered under Section 194J(1). The said amendment shall be applicable from 01st October 2024.



Other Amendments

TDS on Floating Rate Savings (Taxable) Bonds ('FRSB')

TDS at the rate of 10% under Section 193 shall be withheld from the interest earned on Floating Rate Savings Bonds 2020 issued by the Government. However, no tax shall be deducted if the total amount in an FY does not exceed INR 10,000. The said amendment is applicable from 1st October 2024.

Extending the scope for Lower Withholding Tax Certificates

It has been proposed to widen the scope of the provisions of Section 197 to include Section 194Q and Section 206C(9) to include Section 206C(1H) within its ambit. Hence, an application for a lower deduction certificate can be made in respect of the said sections from 1st October 2024.

Certain person exempted from TCS provisions

CBDT shall notify certain class of person who shall be notified for no collection of tax or that the collection of tax at lower rate under TCS provisions. The said amendment is applicable from 1st October 2024.

Equalisation Levy ('EL')

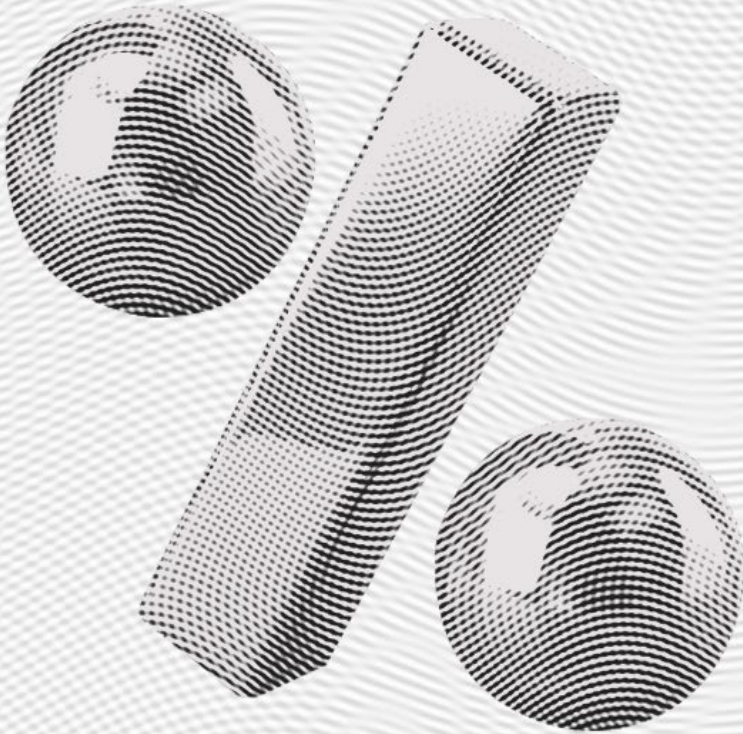


Proposal to change EL

- EL of 2%, imposed vide Finance Act, 2020, to not apply on consideration received or receivable for e-commerce supply or services on or after August 1st, 2024;
- Exemption of such e-commerce supply or services under Section 10(50) to apply to supply or services between April 1st, 2020 to August 1st, 2024 only.

Note: The above amendments to apply from August 1st, 2024

Penalties



Penal Provisions



Rationalisation of prosecution provisions for late deposit of TDS

Existing Provisions

As per provisions of Section 276B, the person shall be liable for rigorous imprisonment of not less than three months, but which may extend up to seven years, if the person fails to pay to the credit of the Central Government the tax deducted at source by him.

Proposed Provisions:

It has been proposed that the prosecution shall not be launched in cases where the taxpayer deposits the TDS in respect of a quarter to the credit of the Central Government at any time on or before the time prescribed for filing the statement of such quarter under Section 200(3) (i.e., TDS return).

Note - These said amendments shall be applicable from 01st October 2024.

Penal Provisions



Rationalisation of prosecution provisions for late deposit of TDS

Existing Provisions

As per the provisions of Section 201, an taxpayer shall be treated as an taxpayer in default, if the taxpayer does not pay to the credit of the Central Government the TDS deducted on the payment made to a person resident in India. Such order shall be passed by the tax officer at any time before the expiry of seven years from the end of the FY in which payment is made or two years from the end of the FY in which the correction statement is furnished, whichever is later.

Similarly, as per the provisions of 206C(6A), an taxpayer can be deemed to be an taxpayer in default for failing to collect or pay the collected taxes to the credit of the Central Government.

Proposed Provisions

It has been proposed that an taxpayer shall be treated as an taxpayer in default for not paying the TDS/TCS amount which has been deducted/collected on the payment made to the residents as well as non-residents. Also, the period of seven years as mentioned above has been reduced to six years.

Note - These said amendments shall be applicable from 01st April 2025.

Penal Provisions



Amendment in penalty provisions for default in furnish of TDS/TCS returns

Existing Provisions

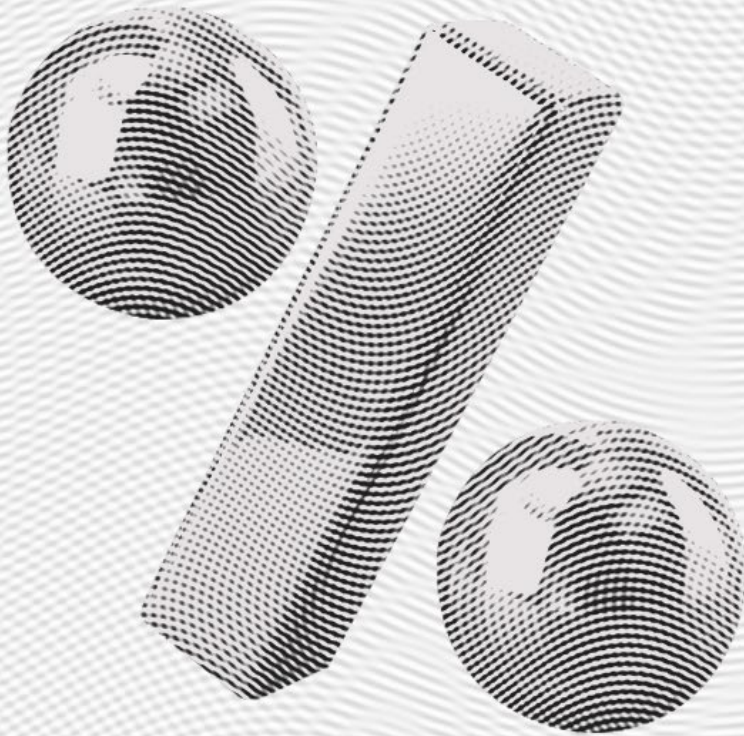
The provisions of Section 271H(3) provide that no penalty shall be levied on an taxpayer in cases where the entire TDS/TCS amount along with the applicable fees and interest has been duly paid to the credit of the Government and the TDS/TCS return has been filed within 1 year of the original due date of furnishing the said return.

Proposed Provisions

It has been proposed to reduce the time limit allowed for furnishing the TDS/TCS return from 1 year to 1 month from the original due date.

Note - These said amendments shall be applicable from 01st April 2025.

Transfer Pricing



Transfer Pricing



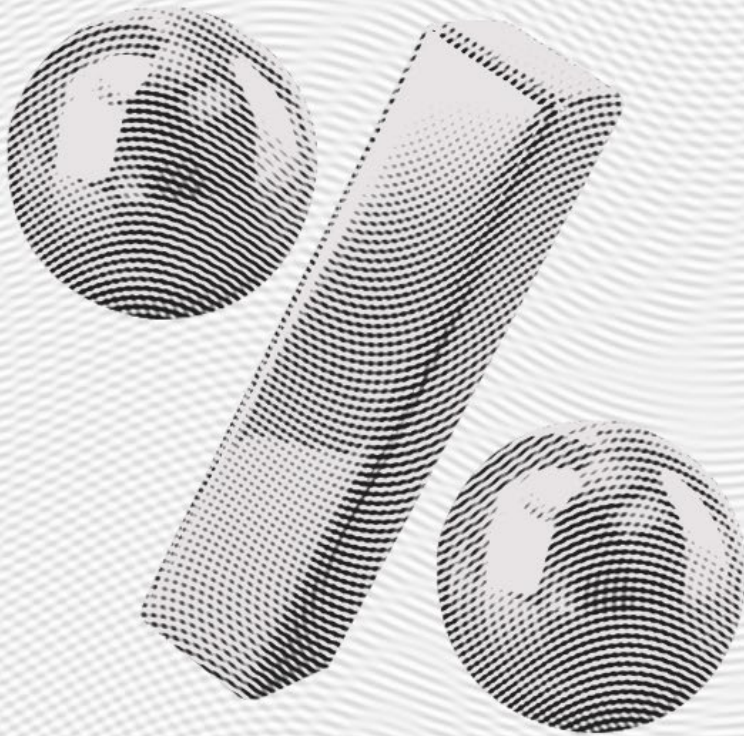
Extension of Jurisdiction of TPO

The jurisdiction of TPO extended in respect of specified domestic transaction ('SDT').

Now the TPO can determine Arm's length price of a SDT identified by him during the proceedings before him even if such transaction not referred to him / not reported in form 3CEB by Assesee.

Note - These said amendments shall be applicable from AY 2025-26.

Revenue Administration



Revision in Search Assessment

In order to make the procedure for assessment of search cases more cost efficient, early finalization of cases, coordinated investigation of search assessment and reduction of multiplicity of proceedings, it is proposed to amend the existing guidelines and introduce the scheme of block assessment. Some of the key changes are as under:

- The block period shall consist of previous years relevant to six assessment years including the period starting from 1st April of the previous year in which search was initiated or requisition was made and ending on the date of the execution of last authorization for such search or date of such requisition.
- The Assessing officer shall compute the total income including the undisclosed income which has not been or would not have been disclosed or any expense, deduction or allowance claimed under this Act which is found to be incorrect.
- The tax rate shall be 60% (plus applicable surcharge, if any) as per section 113 of the Act.
- Penalty on the undisclosed income of the block period shall be levied @50% of the tax payable on such income. No such penalty shall be levied if the taxpayer offers the undisclosed income in the return furnished pursuant to search and pays the tax along with the return.
- The time limit for completion of block assessment in case of searched person is within twelve months from the end of month in which last of the authorization for search was executed.
- In case of non searched person, the provision of section 158BC shall prevail. The time limit for completion of block assessment in case of person other than searched person, shall be twelve months from the end of the month in which the notice under section 158BC was issued.

Note - These said amendments shall be applicable for search cases initiated on or after 1st September 2024

Revenue Administration



Other Amendments

- The time limit to file an appeal before ITAT has been revised. It has been proposed that an appeal before ITAT may be filed within two months from the end of the month in which order sought to be appealed against is communicated to the taxpayer or to PCIT or CIT. Such amendment shall take effect from 1st October 2024.
- It has been proposed to allow withdrawal of application by the Applicant before 31st October 2024, in case the application has been transferred before Board of Advance from AAR and order under section 245R(2) has not been passed by Board of Advance Rulings.
- Considering huge pendency of appeals before CIT(A), in cases where assessment order has been passed on best judgement basis, CIT(A) shall be empowered to set aside the assessment and refer the case back for making fresh assessment. Such amendment shall be applicable for appellate orders passed by CIT(A) on or after 1st October 2024.
- It has been proposed to amend section 230(1A) of the Act, to include person who is domiciled in India and in respect of whom it necessary to obtain tax clearance certificate from Income tax authority **covered under Black Money (Undisclosed Foreign Income and Assets) and imposition of Tax Act, 2015**. Before issuance of tax clearance certificate by income tax authority, prior approval from PCCIT or CCIT needs to be obtained. Such amendment shall take effect from 1st October 2024.
- As per the amended provisions for the time limit for imposition of penalty, receipt of order by the Principal Chief Commissioner and Chief Commissioner has been omitted.

Other Amendments

- It has been proposed to recover the liability arising under Black Money (Undisclosed Foreign Income and Assets) and imposition of Tax Act, 2015 from the seized asset as per section 132B of the Act. Such amendment shall take effect from 1st October 2024.
- **Relaxation in the penalty provisions for failure to disclose the foreign assets in the ITR under Black Money (Undisclosed Foreign Income and Assets) and imposition of Tax Act, 2015 ("BMA") :** It has been proposed to amend section 42 & 43 of BMA, to stipulate that the provisions of these sections will not apply to asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed twenty lakh rupees. These changes will take effect from 1st day of October 2024.
- **Amendment to the Prohibition of Benami Property Transactions Act, 1988 (Benami Act):**
 - Section 24 of Benami Act deals with notice and attachment of property involved in Benami transactions. It has been proposed to insert sub section (2A) to provide time limit of three months from end of the month in which notice is issued for furnishing the reply, explanation or any submission by Benamidar or Beneficial owner.
 - Further, it is proposed to amend the sub section (3) & (4) of section 24 to increase time limit of 90 days to 4 months from the end of the month in which notice under section 24(1) is issued.
 - The time limit for drawing up the statement of the case and referring it to Adjudicating Authority by Initiating officer has been proposed to increase from 15 days to 1 month under section 24(5).
 - A new section 55A has been proposed to provide immunity from prosecution to benamidar with a view to obtain evidence of the benamidar or any other person. This amendment will take effect from 1st October 2024.

Revenue Administration



Scope reduced for reassessment cases

Time limit for issuance of reassessment notice under 148A and 148 of the Act is proposed to be revised under section 149(1) of the Act as follows:

- in normal cases, no notices shall be issued if three years and three months under section 148 and three years under section 148A, have elapsed from the end of the relevant AY;
- in specific cases, notice u/s 148 can be issued beyond the period of three years and three months but not beyond the period of five years and three months from the end of the relevant AY, where the AO has in his possession books of account or other documents or evidence related to any asset or expenditure or transaction or entry (or entries) which reveal that the income chargeable to tax, which has escaped assessment amounts to or is likely to amount to INR 50 lakh or more;
- in specific cases, notice u/s 148A can be issued beyond the period of three years but not beyond the period of five years from the end of the relevant AY, whereas per the information with the AO, the income escaping assessment amounts to or is likely to amount to INR 50 lakh or more

Note: These amendments will take effect from 1st September 2024.

Other proposals

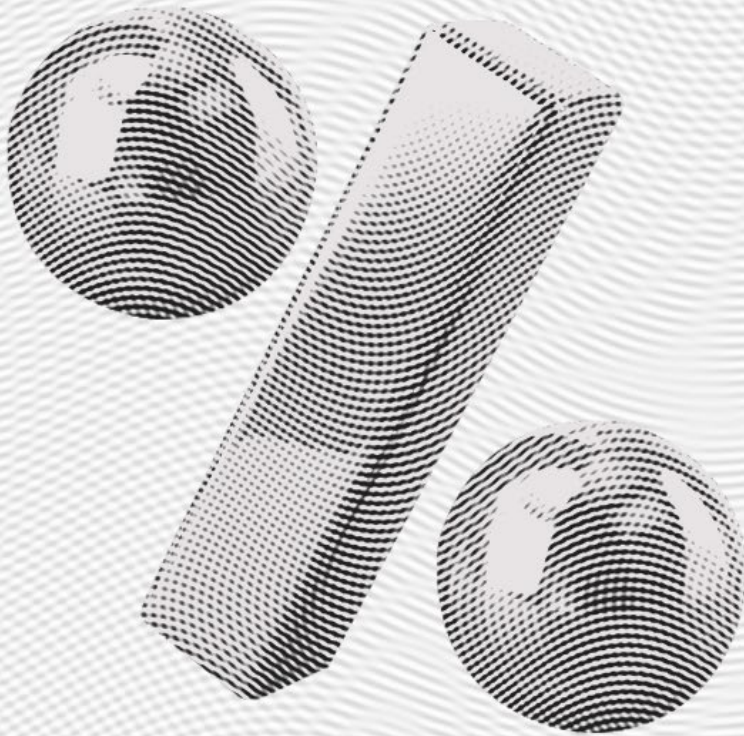


- Quoting of Enrolment ID of Aadhaar in PAN application form or Income Tax Return form to be discontinued from October 1st, 2024 and every person who has been allotted PAN basis such Enrolment ID to intimate his Aadhaar Number to such Authority in such form and manner as may be prescribed, on or before a date to be notified in the Official Gazette (Section 139AA);
- For persons referred to in Section 285BA(1), penalty under Section 271FAA shall be applicable in any of the following circumstances:
 - furnishing inaccurate information in the statement shall be liable;
 - failure to comply with due diligence requirement in the statement
 - Penalty may however, not be levied where the taxpayer proves that there was a reasonable cause for the said failure (Section 273B)

Note: All the above amendments to apply from October 1st, 2024



Amnesty Scheme



Vivad Se Vishwas Scheme, 2024 ('VSVS')



Tax Amnesty – Outline of VSVS

- Scheme to allow taxpayers to settle tax litigation by paying tax demand and save interest and penalty, together with immunity from prosecution and penalty under the Act.
- Scheme not to cover certain taxpayers on whom prosecution under various Acts, including PMLA, have been launched
- **Following person can opt for this scheme**
Person whose case is pending before:
 - Appellate authority or
 - any Court; or
 - Dispute Resolution Panel (DRP)
 - Before the assessing officer post issuance of directions by DRP; or
 - Revision application pending before Commissioner as on specified date (SD)

Disputed Tax means the income tax including surcharge and education cess that would be payable if the tax issue is decided against the taxpayer;

Disputed interest means the interest payable on disputed tax;

Specified Date means July 22nd, 2024;

Disputed penalty means the penalty determined or determinable on disputed matter;

Disputed fee means the fee determined under the provisions of the Income-tax Act in respect of which appeal has been filed by the appellant;

Last date means such date as may be notified by the Central Government in the Official Gazette;

Tax arrear means:

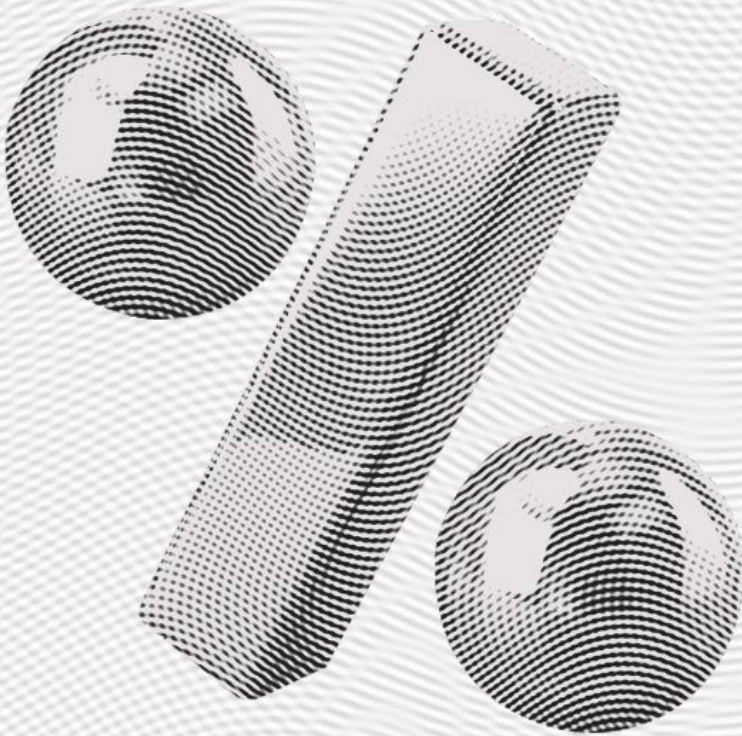
- the aggregate amount of disputed tax; or
- disputed interest; or
- disputed penalty; or
- disputed fee

But does not apply to tax arrears in special situation such as reassessment, matters involving prosecution etc.:

Payment to be made under VSVS

Matter	Amount payable under VSVS up to December 31 st , 2024	Amount payable under VSVS from January 1 st , 2025 till Last date
Taxpayer's Appeal		
Tax arrear involving Disputed tax, interest and penalty thereon		
where appeal has been filed after 31st January 2020 but before 22nd July, 2024	100% of Disputed tax	110% of Disputed tax
where appeal has been filed before 31st January 2020 and the same is pending at same appellate Forum	110% of Disputed tax	120% of Disputed tax
Tax arrear involving Disputed interest/ penalty/ fees		
where appeal has been filed after 31st January 2020 but before 22nd July, 2024	25% of Disputed interest / penalty / fee	30% of Disputed interest / penalty / fee
where appeal has been filed before 31st January 2020 and the same is pending at same appellate Forum	30% of Disputed interest / penalty / fee	35% of Disputed interest / penalty / fee
Revenue's Appeal		
Issue has been decided in favor of the Taxpayer by the ITAT/ Court in any year	50% of the above amount	50% of the above amount

Indirect tax





Revision in the rates of Custom Duty

- Exemption of Basic Customs Duty (BCD) on 25 critical minerals; reduction on 2 additional minerals for processing and refining support.
- Increase BCD from 10% to 15% on specified telecom equipment Printed Circuit Board Assemble (PCBA); decrease from 20% to 15% on cellular mobile phone PCBA to boost domestic production.
- BCD exemption on certain capital goods for manufacturing solar cells and modules.
- Reduction of BCD from 7.5% to 5% on Methylene Diphenyl Diisocyanate (MDI) used in spandex yarn production, under conditions, to address duty inversion.
- Adjustment or extension of BCD exemption on specific inputs for manufacturing textile or leather garments, footwear, or other leather products for export.
- Removal of input tax credit blockage from FY 2024-25 for tax paid due to fraud, misstatement, or suppression of facts.
- Extension of duty-free re-import period for goods exported under warranty from 3 to 5 years (excluding export promotion schemes) for trade facilitation.
- Increase BCD on lab chemicals from 10% to 150%.
- BCD exemption on import of specific cancer drugs (Trastuzumab Deruxtecan, Osimertinib, Durvalumab).
- Reduction of BCD from 20% to 15% on cellular mobile phones and chargers/adapters.
- Decrease in BCD from 10% to 5% for gold, silver bars, dores, and platinum, with reduced Agriculture Infrastructure Development Cess (AIDC).

Goods and Services Tax ('GST')



Amendments in GST Act 2017

- Waiver of interest and penalty for non-fraud cases from FY 2017-18 to 2019-20 if full tax demand is paid by the notified date:
 - Covers scenarios where notice issued but order not passed, or order passed by lower authorities pending with appellate authority or tribunal.
 - Excludes cases of erroneous refunds.
- Time limit for filing appeal before GST Appellate Tribunal (GSTAT) set at three months from the notified date or date of order, whichever is later.
- Condonation period of three months granted if Department fails to appeal within prescribed timelines.
- Reduction of pre-deposit amounts for filing appeal:
 - Before Appellate Authority, maximum pre-deposit reduced from INR 25 crore to INR 20 crore (CGST and SGST each).
 - Before GSTAT, pre-deposit reduced from 25% to 10% of tax in dispute, with maximum reduced from INR 50 crore to INR 20 crore (CGST and SGST each).
- Time of supply for services received from unregistered persons under reverse charge:
 - Earlier of date of payment or date of self-invoice issuance.
 - Government to specify time limit for issuing self-invoice in case of reverse charge supplies from unregistered persons; also self invoicing is required where supplier is registered solely for deduction tax at source

Goods and Services Tax ('GST')



Amendments in GST Act 2017

- Common time limits for issuance of demand notices (42 months from due date of relevant annual return) and demand orders (12 months from date of notice) starting FY 2024-25, regardless of fraud involvement.
- Extension till 30 November 2021 to avail Input Tax Credit (ITC) for FY 2017-18 to 2020-21 if relevant GSTR-3B filed by such date.
- Refund restrictions has been proposed on integrated tax and unutilized ITC for goods attracting export duty or supplied to Special Economic Zone (SEZ) developer or unit.

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- **International Tax**
- **Advisory Services**
- **Corporate Secretarial**
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Our Leadership



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Financial Accounting



Manager
Tax Management



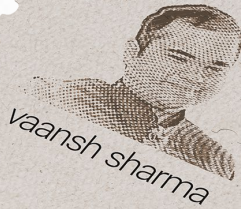
Manager
Tax Management



Senior Manager
Tax Management



Manager
Tax and Regulatory
Services



Manager
Financial Accounting



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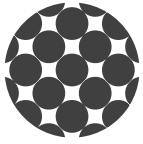
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shrey aggarwal



varun garg



daniel lee



berta castells pujol

Korea Business Desk

With his experience of 27 years in industries ranging from electronic parts to infrastructure, Mr. Lee heads our Korean business group

Spain Business Desk

Currently consulting with Coinmen, she's an engineer and has worked in India since 2013.

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- CASB (Cloud Access Security Broker) safeguards to avoid data leakages, including protocols against potential attacks and breaches*
- Automatic multiple back ups at remote site
- Routine trainings and acceptance of policy by employees
- Optional cloud-based data storage and access with select and limited privileges
- User access control with 2FA (two factor authentication) for secure login

* under implementation

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