

## **KEY HIGHLIGHTS**

### **Compiled by R.C. Jain & Associates LLP**

#### **Vision of Amrit Kaal**

- Opportunities for citizens with focus on the youth
- Growth and Job Creation
- Strong and Stable Macro-Economic Environment
- Fiscal for country - 6.4% of GDP for FY 23, FY 24 target stands at 5.9% and Less than 4.5% by 25-26.

#### **Finance Minister has Proposed 7 Priorities –**

Inclusive Development, Reaching the last Mile, Infrastructure and Investment, Unleashing the Potential, Green Growth, Youth Power, Financial Sector

##### **Key pronouncements thereunder:**

- Increased capital investment outlay by 33.4% to 10 lakh crore. Three times since 2019
- Mahila Samman Bachat Patra
- Heavy outlays for 19700 crore for green growth, 7000 crore outlay for third face of e-courts,
- 9000 crore Corpus for MSME credit

#### **❖ DIRECT TAX**

##### **➤ Amendments in New Tax Regime**

- New Tax Regime – Reduction from 7 slabs to 5 slabs.
- Reduce highest surcharge rate from 37 percent to 25 percent in new tax regime.
- Income under Salary - Introduction of Standard Deduction of Rs. 52,500.
- Rebate u/s 87A Increased to Rs. 7,00,000 from Rs. 5,00,000 in new tax regime.

##### **➤ No Change in Old Tax Regime. Moreover, New tax regime will become default and old tax regime will become optional.**

##### **➤ Increasing threshold limits for presumptive taxation schemes:** Enhance Limit for Presumptive scheme for business and profession to Rs. 3crores and Rs. 75 Lakhs respectively for entities having cash expense or receipts of less than 5%.

##### **➤ Government proposes to cap deductions u/s 54 and 54F from capital gains on investments in residential houses to Rs. 10 crores.**

##### **➤ Co-operative Societies:**

- Tax concession rate for Cooperative: under new scheme Tax rate of 15% for new Domestic manufacturing co-operative society set up on or after 01.04.2023, which commences manufacturing or production on or before 31.03.2024 and does not avail of any specified incentive or deductions.
- Increase in limit to Rs.2 lakhs on granting loans and accepting deposits for Primary Agricultural Credit Societies (“PACS”) and Primary Co-Operative Agricultural and Rural Development Bank (“PCARD”)
- Higher TDS Limit of 3crores on cash withdrawal for co-operative society.

- TDS on online gaming at the rate of 30 % and taxability on net winnings of Section 115BBJ from 01.04.2024 is proposed.
- Hike in tax exemption on leave encashment on retirement of non-government salaried employees to Rs. 25 lakh from Rs. 3 lakhs.
- **Start Up**
  - Relief to start ups in carrying forward and set off of losses amended to 10 years instead of earlier 7 years.
  - Extension of date of incorporation to 31/03/2024 for eligible start-up for exemption.
- Gift in money, in excess of Rs. 50,000/-, received by Not Ordinarily Resident from a non-relative, shall be considered as Income received in India and taxable in India.
- **TDS on Interest on Listed Debentures:** Exemption from TDS on payment of interest on listed debentures to a Resident is removed. Hence TDS has to be deducted.
- **Increasing rate of TCS of certain remittances:** TCS at the rate of 20% has to be collected instead of 5% on overseas Tour Package with effect from 1<sup>st</sup> July, 2023.
- TDS rate to be reduced from 30 per cent to 20 per cent on taxable portion of EPF withdrawal in non-PAN cases.

## ❖ INDIRECT TAX

- **GST**
  - No return shall be filed after the expiry of 3 years from the due date of said returns GSTR 3B, GSTR 1, TDS, TCS, Annual Return.
  - ITC in respect of GST used or intended to be used for CSR activity shall not be allowed.
  - ITC to be reversed pertaining to supply of warehoused goods before clearance for home consumption.
  - Big Relief: Section 23 has been given overriding effect on section 24 retrospectively. Which means that persons making only exempt supplies and agriculturist now not liable to take registration even though required under section 24.
  - 90% of refund to be granted considering provisionally accepted ITC also. (Earlier it was not allowed)
  - Mechanism for interest on delayed refund shall be provided.
  - Penal provisions to ecommerce operators relating to supplier of goods made by URD person or composition dealer.

- Person dealing in interstate supply of goods and person selling goods via e commerce operator is now allowed to opt for composition Scheme.

➤ **CUSTOMS**

- Customs duty reduced on textiles, toys, bicycle, seeds in manufacture for diamonds, Marine Products and Television - TV panels.
- Rates Increased on silver bars, Cigarettes, Rubber.
- Further concessions in Custom Duty on lithium ion batteries used in electric vehicles, camera lens and lithium battery, steel and ferrous products, copper, rubber etc
- Electric kitchen chimney to reduce inverted duty structure from 7.5 to 15 percent.
- Benefit for ethanol blending program and acid program and epichlorohydrine.