

Budget expectations

Here's what ChatGPT thinks that an ideal budget should include:



An ideal budget for India should take into consideration the country's current economic and social challenges, as well as its long-term goals for development and growth. Some key elements that could be included in an ideal budget for India are:



1. **Boosting economic growth:** Measures to promote investment, entrepreneurship, and job creation to drive economic growth.
2. **Supporting agriculture:** Initiatives to support farmers, improve agricultural productivity, and ensure stable food prices.
3. **Strengthening infrastructure:** Investments in transportation, energy, and communication infrastructure to support economic development.
4. **Improving education and healthcare:** Increased funding for education and healthcare services to ensure access to quality education and healthcare for all citizens.
5. **Supporting small businesses:** Measures to support the growth and development of small and medium-sized enterprises (SMEs).
6. **Encouraging savings and investments:** Policies to encourage citizens to save and invest their money to support the overall health of the economy.
7. **Reducing inequality:** Measures to reduce income and wealth inequality, including tax policies that promote progressive taxation and support for social welfare programs.
8. **Promoting fiscal discipline:** Policies to control government spending and increase revenue to ensure long-term financial stability and sustainability.

These are some of the key elements that could be included in an ideal budget for India. The exact content of the budget will depend on the government's priorities and the state of the economy at the time of budget presentation.

Union Budget 2023

Income-tax highlights

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Setting the context



Tax rates

- Individual / Hindu Undivided Family, Association of Persons, Body of Individuals & Artificial Juridical Person
 - Changes in new tax regime (Section 115BAC). Discussed in detail later.

- Domestic company

Particulars	Tax rate
Opting for new tax regime without certain deductions / exemptions (Section 115BAA)	22%
New manufacturing companies (Section 115BAB)	15%
Total turnover / gross receipts up to INR 400 crores	25%
Others	30%

- Other than a domestic company
 - Tax rate remains unchanged at 40%.
- Firms, Limited Liability Partnership and local authority
 - Tax rate remains unchanged at 30%.

Tax rates

- Co-operative societies

Particulars	Tax rate
Up to INR 10,000	10%
INR 10,000 to INR 20,000	20%
Above 20,000	30%

- Tax rate under new regime remains unchanged at 22%.
 - Reduced tax rate of 15% for resident co-operative societies registered on or after 1 April 2023 and has commenced manufacturing on or before 31 March 2024, subject to certain conditions (Section 115BAE).
- Surcharge
 - Association of Persons consisting of only companies as its members shall not exceed 15%.
 - Surcharge of 10% shall apply for co-operative societies opting for new manufacturing tax regime.



Personal Income-tax



New tax regime

Comparison of slab rates:

Old regime*	Rate	Tax regime 1.0	Rate	Tax regime 2.0	Rate
Up to INR 2.5 lakhs	Nil	Up to INR 2.5 lakhs	Nil	Up to INR 3 lakhs	Nil
> INR 2.5 lakhs to INR 5 lakhs	5%	> INR 2.5 lakhs to INR 5 lakhs	5%	> INR 3 lakhs to INR 6 lakhs	5%
> INR 5 lakhs to INR 10 lakhs	20%	> INR 5 lakhs to INR 7.5 lakhs	10%	> INR 6 lakhs to INR 9 lakhs	10%
> INR 10 lakhs	30%	> INR 7.5 lakhs to INR 10 lakhs	15%	> INR 9 lakhs to INR 12 lakhs	15%
		> INR 10 lakhs to INR 12.5 lakhs	20%	> INR 12 lakhs to INR 15 lakhs	20%
		> INR 12.5 lakhs to INR 15 lakhs	25%	> INR 15 lakhs	30%
		> INR 15 lakhs	30%		

Assuming individual up to 60 years of age. For individuals up to 80 years of age – no tax up to INR 3 lakhs. For individuals more than 80 years of age – no tax up to INR 5 lakhs.

Tax regime 1.0 means new tax regime introduced vide Finance Act 2020.

Tax regime 2.0 means new tax regime proposed vide Finance Bill 2023.

New tax regime

Key amendments under the New tax regime:

- Extended to Association of Persons (other than co-operative society), Body of Individuals and Artificial juridical person.
- Basic exemption limit increased to INR 3 lakhs.
- The revised limit of INR 3 lakhs also relevant for agriculture income computation.
- **Standard deduction of INR 50,000 shall now be available (Section 16(i)).**
- Deduction on account of family pension shall now be available – Lower of 1/3rd family pension and INR 15,000 (Section 57(iia)).
- Newly inserted deduction in relation to deposit in Agniveer Corpus Fund shall be allowed (Section 80CCH(2)).
- Maximum surcharge shall be restricted to 25%
 - Reduces the effective highest personal tax rate from 42.74% to 39%.
- **Rebate of up to INR 25,000 allowed to resident individuals having total income up to INR 7 lakhs (Section 87A)**
 - **Rebate not available to HUFs.**
 - **Rebate also not available to non-resident Individuals.**
 - **Rebate of up to INR 12,500 for resident individuals having total income up to INR 5 lakhs shall continue for those offering income to tax under old tax regime.**

New tax regime

Key amendments under the New tax regime:

- New tax regime has been made default effective from 1 April 2024. Assessee may opt for old regime:
 - Having business income – Can avail flexibility only once.
 - Not having business income – Can make a choice each year.

New tax regime

Exemptions / deductions not available under New tax regime:

NQ – Not Quantifiable

Sr. No.	Section	Description	Maximum quantum
1.	Section 10(5)	Leave travel concession / assistance (typically INR 1 to 2 lakhs)	NQ
2.	Section 10(13A)	House Rent Allowance (typically 40% to 50% of basic salary)	NQ
3.	Section 10(14)	Special allowance (nominal)	NQ
4.	Section 10(17)	Allowance for Member of Parliament / State legislature	NQ
5.	Section 10(32)	Clubbed income of minor child	INR 1,500 per child
6.	Section 16(ii)	Entertainment allowance	INR 5,000
7.	Section 16(iii)	Profession tax	INR 2,500
8.	Section 24(b)	Interest on loan for self occupied property	INR 2 lakhs
9.	Section 80C	Life insurance premium, ELSS, principal repayment, PF, etc.	INR 1.5 lakhs
10.	Section 80CCD(1B)	Self contribution to Pension Scheme	INR 50,000
11.	Section 80D	Health insurance premium	INR 60,000
12.	Section 80G	Donations to charitable institutions	NQ

New tax regime

Exemptions / deductions not available under New tax regime:

Sr. No.	Section	Description	Maximum quantum
13.	Section 10AA	Special Economic Zone Units	NQ
14.	Section 32(1)(iia)	Additional depreciation on new plant & machinery	NQ
15.	Section 32AD	Depreciation on new plant & machinery in backward areas	NQ
16.	Section 33AB	Tea, coffee & rubber development	NQ
17.	Section 33ABA	Site restoration fund	NQ
18.	Section 35	Expenditure on scientific research	NQ
19.	Section 35AD	Expenditure on specified business	NQ
20.	Section 35CCC	Expenditure on agricultural extension project	NQ

In addition to those specified above, no chapter VIA deductions are allowed, other than Section 80CCD(2), 80CCH(2) and 80JJAA under new tax regime.

New tax regime

- A person not claiming any of the exemptions / deductions listed in previous slide could adopt new tax regime. Tax savings (*incl. of surcharge and cess*) in such cases may be as follows:

Income	Tax saving
Up to INR 10 lakhs	Maximum INR 54,600
Up to INR 15 lakhs	Maximum INR 1,17,000
> INR 15 lakhs to INR 50 lakhs	INR 1,17,000
> INR 50 lakhs to INR 1 crore	INR 1,28,700
> INR 1 crore to INR 2 crores	INR 1,34,500
> INR 2 crores to INR 5 crores	INR 1,46,250
> INR 5 crores	Substantial due to reduction in surcharge

New tax regime

High-level comments on making a choice between old regime and new regime:

- A person having income up to INR 5 lakhs shall be indifferent between both regimes.
- A person having income between INR 5 lakhs to INR 7 lakhs shall adopt new taxation regime to avail the benefit of rebate.
- A person having income more than INR 7 lakhs and up to INR 15 lakhs must carefully analyse based on facts.
 - Quantum of deduction available would play an important role.
- A person having income more than INR 15 lakhs and up to INR 5 crores may adopt old regime if total amount of deductions (other than standard deduction, employer contribution to pension scheme, contribution to Agniveer corpus fund, deduction for generation of new employment) exceed INR 3,75,000.
- A person having income more than INR 5 crores is likely to benefit from adoption of new tax regime.
 - Borderline cases to be evaluated carefully.

Note: Comments are general in nature and it is advisable to analyse each case depending on its facts. Factors such as marginal relief, change in surcharge rate, etc. may have an impact on decision.

Capital gains

- **Rationalization of deduction from capital gains under Section 54 and 54F (*w.e.f. 1 April 2024*)**
 - Deduction against long-term capital gains on sale of residential house is available upon investment of amount of capital gain in a new residential property – one new residential house in India is allowed.
 - Deduction against long-term capital gains on sale of capital asset except residential house is available upon investment of amount of net consideration in a new residential property.
 - It is proposed to amend the deduction provisions such that the investment in new residential property exceeding INR 10 crores shall be ignored.

Particulars	LTCG – Residential property	LTCG – Shares
Net sale consideration	INR 100 crores	INR 100 crores
Indexed Cost of Acquisition	INR 80 Crores	INR 20 Crores
LTCG	INR 20 Crores	INR 80 Crores
Investment	INR 15 Crores	INR 100 Crores
Allowable deduction	INR 10 Crores	INR 8 crores (80 X 10 / 100)

Interest on housing loan

- **Prevention of double deduction of interest on housing loan (*w.e.f.* 1 April 2024)**
 - Deduction in respect of interest payable on borrowed capital for acquiring, renewing or reconstructing a property is available under the head Income from house property (Section 24(b)) and chapter VIA (Section 80EE and 80EEA).
 - At the time of sale of property, such interest may also be claimed as cost of acquisition or improvement under the head capital gains.
 - There are contradictory rulings on the issue as under:
 - **Interest claimed against house property income was added to cost of acquisition**
 - [2012] C Ramabrahmam (27 taxmann.com 104) ITAT Chennai
 - **Interest claimed against dividend income from shares was added to cost of acquisition**
 - [1984] Maithreyi Pai (18 Taxman 75) Karnataka HC
 - Karnataka HC decision has not been referred to in the ITAT Chennai decision.
 - It is proposed to ignore interest as cost of acquisition or improvement under Section 48(ii) while computing capital which has already been claimed as a deduction under other Income-tax provisions.

Life insurance policies

- **Rationalization of exempt income under Section 10(10D) regarding life insurance policies (*w.e.f.* 1 April 2024)**
 - New Life insurance policy issued on or after the 1 April 2023 shall not be exempt if the amount of premium payable for any of the year during the term of such policy exceeds **INR 5 lakhs**.
 - **All policies to be aggregated for determining INR 5 lakh value.**
 - Taxable amount to be treated as Income from Other Sources and premium amount not otherwise claimed as deduction can be reduced from maturity proceeds.
 - Exemption shall continue if the amount is received by nominee in the event of death.
 - Unit Linked Insurance Plan exceeding INR 2.5 lakhs already excluded from exemption.

Life insurance policies

Case study:

Sr. No.	Policy type	Date of taking policy	Annual premium	Taxability
1.	Unit linked Insurance Plan	31 January 2021	2,60,000	Not taxable – Before 1 Feb 2021
2.	Unit linked Insurance Plan	2 February 2021	2,60,000	Taxable
3.	Life insurance Plan	31 January 2021	2,60,000	Not taxable – Before 1 April 2023
4.	Life insurance Plan	2 February 2021	2,60,000	Not taxable – Before 1 April 2023
5.	Life insurance Plan	31 January 2021	5,10,000	Not taxable – Before 1 April 2023
6.	Life insurance Plan	2 February 2021	5,10,000	Not taxable – Before 1 April 2023
7.	Life insurance Plan	2 April 2023	2,60,000	Not taxable – Premium less than INR 5 lakhs
8.	Life insurance Plan	2 April 2023	5,10,000	Taxable

Posers:

1. Taxability of amount received by nominee in the unfortunate event of death of policy holder.
2. Taxability of income under the head IFOS and claim of deduction in respect of premium paid.

Presumptive taxation

- **Extension of limits under presumptive taxation (*w.e.f.* 1 April 2024)**
 - For resident individual / HUF / Firm (other than LLP), amount equivalent to 8% or 6% of turnover or gross receipts is deemed as PGBP, if turnover / gross receipts from eligible business do not exceed INR 2 crores in a FY.
 - Similarly, for resident individual / Firm (other than LLP), amount equivalent to 50% of gross receipts is deemed as PGBP, if gross receipts from eligible profession do not exceed INR 50 lakhs in a FY.
 - Eligible Profession - Legal, medical, engineering, architectural, accountancy, technical consultancy, interior decoration, authorised representative, film artist, company secretary and Information technology.
 - It is proposed to amend:
 - **Section 44AD:** Allow higher threshold of INR 3 crores for eligible business if cash receipts do not exceed 5% of total turnover / gross receipts.
 - **Section 44ADA:** Allow higher threshold of INR 75 lakhs for eligible business if cash receipts do not exceed 5% of total turnover / gross receipts.
 - **Section 44ADA:** Clarify that other than a/c payee Bank draft / cheque = cash receipts.
 - **Section 44AB:** Tax audit shall not apply to above cases.

20% TCS on LRS!

- Increase in TCS rates under Section 206C(1G) in case of certain remittances (*w.e.f. 1 July 2023*)

Sr. No.	Type of remittance	Current rate	Proposed rate
1.	For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E	0.5% of the amount or the aggregate of the amounts in excess of INR 7 lakhs	No change
2.	For the purpose of education, other than (1) or for the purpose of medical treatment	5% of the amount or the aggregate of the amounts in excess of INR 7 lakhs	No change
3.	Overseas tour package	5% without any threshold limit	20% without any threshold limit
4.	Any other case	5% of the amount or the aggregate of the amounts in excess of INR 7 lakhs	20% without any threshold limit

Employee taxation

- **Relaxation of TDS provisions on withdrawal of balance of Provident Fund (*w.e.f.* 1 April 2023)**
 - Tax deduction is applicable at the rate of 10% under Section 192A at the time of withdrawal of taxable accumulated provident fund balance.
 - In cases where assessee fails to furnish PAN, tax is deductible at Maximum Marginal Rate.
 - It is proposed to restrict deduction of tax in non-PAN cases at 20% as per Section 206AA instead of Maximum Marginal Rate.

- **Rationalization of valuation provisions related to residential accommodation by employers (*w.e.f.* 1 April 2024)**
 - Perquisite includes value of rent free accommodation or value of concession in rent provided to employees by employer.
 - Methods to compute such values are provided in difference provisions of the Act / Rules.
 - It is proposed that uniform rules for computing the value of rent-free accommodation / concession shall be prescribed.

Investments - MLDs

- **Insertion of special tax provisions under Section 50AA for market linked debentures (*w.e.f.* 1 April 2024)**
 - Market Linked Debentures are listed securities and are currently being taxed as long term capital gain at 10% without indexation. However, these securities are in the nature of derivatives which are normally taxed at applicable rates and they give variable interests as they are linked with the performance of the market.
 - Sale consideration received on transfer / redemption of Market linked debentures shall be taxable as short term capital gains after reducing (i) cost of acquisition and (ii) expenditure incurred wholly and exclusively in connection with transfer / redemption.
 - “Market Linked Debenture” means a security which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on other underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.
- **Withdrawal of exemption provisions for interest on listed securities (*w.e.f.* 1 April 2023)**
 - Currently TDS provisions under Section 193 do not apply interest payable to resident on securities issued by a company, if the same is in dematerialised form and is listed on a recognised stock exchange in India.
 - It is proposed to remove such exemption thereby making TDS applicable on listed securities (e.g. debentures) at rates in force.



How People who pay
Income-tax feel on
budget day special!



Corporate tax



Benefits or Perquisites

- **Benefits or Perquisites in cash or in kind or partly in cash and kind to be taxable under section 28 (w.e.f. 1 April 2024)**
 - Under the existing provisions, value of benefit or perquisite whether convertible into money or not, arising from business or exercise of profession is included in the PGBP under section 28
 - TDS on benefits or perquisites introduced by Finance Act, 2022, under section 194R
 - Under current provisions, possible to argue that benefits in cash are neither taxable under PGBP nor subject to TDS. CBDT circular No. 12 of 2022 specifically stated, cash benefits are subject to TDS.
 - In *Mahindra and Mahindra Ltd. (2018) 404 ITR 1 (SC)* it was held that for invocation of section 28(iv), the benefit shall be received in form other than money/cash, harping on the term 'whether convertible into money or not'. The court in this case was deciding the taxability of benefit arising from loan waiver.
 - CBDT issued Circular No. 18 of 2022 – excluding one time settlements or waiver of loans by banks, public financial institutions etc, from application of section 194R.
 - Section 28(iv) to now include benefit or perquisite received in cash or in kind or a combination of both. This proposal would overrule the above decision in Mahindra & Mahindra.
 - **Corresponding amendment to Section 194R – adding an Explanation stating that Section 194R(1) shall apply to any benefit or perquisite, whether in cash or in kind or party in cash and partly in kind. Whether amendment clarificatory or substantive?**

MSME Dues – allowance on actual payment

- **Sum payable to MSMEs to be allowed on actual payment basis under section 43B (w.e.f. 01 April 2024)**
 - Section 43B provides deduction of certain expenses only on actual payment, rather than on accrual basis
 - The benefit of deduction is available under this section, even if the payment was made before the due date for filing the return u/s 139(1) in respect of the year in which the liability for payment was incurred
 - If the payment due to MSME is overdue beyond the time-limit specified under section 15 of MSMED Act, it is proposed to allow the deduction of sum due to MSMEs only on actual payment.
 - **The relaxation of making the payment before the due for filing the return to claim expenses in the same year, shall also not be available in this case.** In such case, the deduction would be allowed only in the subsequent year.
- Due dates under MSME Act –
 - Due-date agreed between the parties shall be the due date, which cannot exceed 45 days from date of supply of goods or services
 - If no date is agreed upon, then 15 days from the date of supply of goods or services (appointed date)
- Interest payable to MSME on sums due, is not allowable as deduction in the computation [S. 23 of MSMED Act]

Intangibles

- **Clarity in respect of cost of acquisition in case of certain intangibles (*w.e.f.* 1 April 2024)**
 - Currently, Section 55(2) provides for nil cost of acquisition in respect of self generated goodwill of a business or profession, or a trade mark or brand name associated with a business or profession, or a right to manufacture, produce or process any article or thing, or right to carry on any business or profession, or tenancy rights, or stage carriage permits, or loom hours.
 - No cost of acquisition / improvement has been provided for certain intangible assets or any sort of right for which no consideration has been paid. Courts have held that in such cases computation mechanism fails.
 - **Some of the judicial precedents on the issue are as under:**
 - **Knowhow under development** - [2019] *Bharat Serums and Vaccines* (112 taxmann.com 316) ITAT Mumbai
 - **Trademark, knowhow & Product information** - [2018] *Modern Home Care Products Ltd.* (100 taxmann.com 282) ITAT Delhi
 - **Self generated trademark** - [2014] *Institute For Micronutrient Technology* (43 taxmann.com 426) ITAT Pune
 - **Transferable Development Right** - [2015] *Sambhaji Nagar Co-op. Hsg. Society Ltd.* [54 taxmann.com 77] Bombay HC & [2013] *IGE India Ltd.* (33 taxmann.com 405) ITAT Mumbai
 - It is proposed to provide that cost of acquisition / improvement in such cases shall be 'Nil'.

Business re-organization

- **Replaced provisions related to business reorganisation under Section 170A (*w.e.f..1 April 2023*)**
 - Successor shall file a modified return of income - in a case of business reorganisation, where prior to the date of order of a High Court / tribunal / Adjudicating Authority, return of income has been furnished by an entity to which such order applies.
 - **The Assessing Officer shall consider such modified return of income in the assessment or reassessment proceedings of entity to which such order applies.**
 - “business reorganisation” means the reorganisation of business involving the amalgamation or demerger or merger of business of one or more persons.
 - “successor” means all resulting companies in a business reorganisation, whether or not the company was in existence prior to such business reorganisation.’

Tax on gaming

- **Exclusion of taxability of winning from online game from section 115BB** (*w.e.f. 1 April 2024*)
 - Currently, winnings from lottery, puzzles, horse races, card game or gambling or betting etc. taxable @ 30%
 - From AY 2024-25 onward, winnings from online gaming to be excluded from the application of this section
 - This section does not provide for tax on **net winnings**.
- **Income from Online gaming to be taxable under section 115BBJ** (*w.e.f. 1 April 2024 – AY 2024-25 onwards*)
 - Winning from any online game shall be calculated @ 30% on **net winnings** from such games during the year, computed in the **prescribed manner**.
 - Online game refers to game offered on internet and is accessible by a user through a computer resource including any telecommunication device. Internet and computer resource is also defined.
 - **Not clear if income shall be taxable even if the amount is parked in the online gaming wallet in terms of, say tokens or credits or shall be taxed only at the time of conversion of such credit into money equivalent or actual withdrawal of the sum in cash [TDS u/s 194BA is proposed to be applied on winnings in user account, computed in the prescribed manner].**

TDS on winnings from gaming

- **Section 194B to not apply on TDS on winnings from online gaming (w.e.f. 1 July 2023)**
 - Currently, winning from lottery, puzzles, card games or other games etc. in excess of Rs. 10,000 is subject to TDS on rates in force [Section 115BB].
 - Proposed to expressly include winning from gambling, betting of any form or nature under the ambit.
 - To specifically provide that the limit of Rs. 10,000 shall be computed by aggregating all the winning during the financial year.
 - Winnings from online gaming specifically excluded from the purview of this section w.e.f.. 01 July 2023.

- **TDS on net winning from online gaming – proposed section 194BA (w.e.f. 1 July 2023)**
 - TDS applicable on net winnings in user account at the end of the FY from any online game, computed in the prescribed manner at the rates in force [Section 115BB/115BBJ].
 - **TDS applicable without any threshold.**
 - On withdrawal from user account during the year, TDS to be applied on withdrawn portion at the time of withdrawal and on the balance portion at the end of the financial year.
 - Where winnings are wholly in kind or partly in kind and party in cash, person responsible for paying the winnings shall ensure the payment of tax on the whole of the net winnings before releasing the winnings.

TDS/TCS reliefs

- **Application of treaty benefit at the time of TDS under section 196A (w.e.f. 1 April 2023)**
 - Currently, payments to non-residents of any income in respect of units of Mutual Fund specified u/s 10(23D) or from specified company u/s 10(35) are subject to tax deduction @ 20% at the time of credit or payment, whichever is earlier.
 - It is proposed to allow benefit of lower tax rate on such income, if applicable under the applicable tax treaty, on submission of tax residency certificate.
 - This would reduce the cash blockage in the hands of the non-residents, by applying the tax rates that would actually applicable on them, w.r.t the income earned.
- Scope of seeking certificate under Section 197 expanded to TDS deductible under Section 194LBA, w.e.f.. 01 April 2023
- **Relief to certain non-residents from higher TDS and TCS rates under section 206AB/206CCA (w.e.f. 1 April 2023)**
 - These sections provide for enhanced rate of TDS on assessee who have not filed their income tax return for the specified period. A non-resident not having a PE in India is excluded from these rigors.
 - **Certain notified non-resident who is not required to file their income tax return in India for specified period shall also be exempted from these sections.**

Thin Capitalisation

- **Relaxations for NBFCs from thin capitalization norms (*w.e.f.* 1 April 2024)**
 - Section 94B provides restriction on deduction of interest expense in respect of debt issued by a non-resident, being an associated enterprise of the borrower, if such person incurs any expenditure by way of interest or of similar nature exceeding INR 1 crore deductible while computing "Profits and gains of business or profession".
 - Interest deductible is restricted to the extent of 30% of its EBITDA.
 - Such thin capitalization norms are currently not applicable to Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance.
 - It is proposed to extend the relaxation to non-banking financial companies as may be notified by the Central Government in the Official Gazette in this behalf.

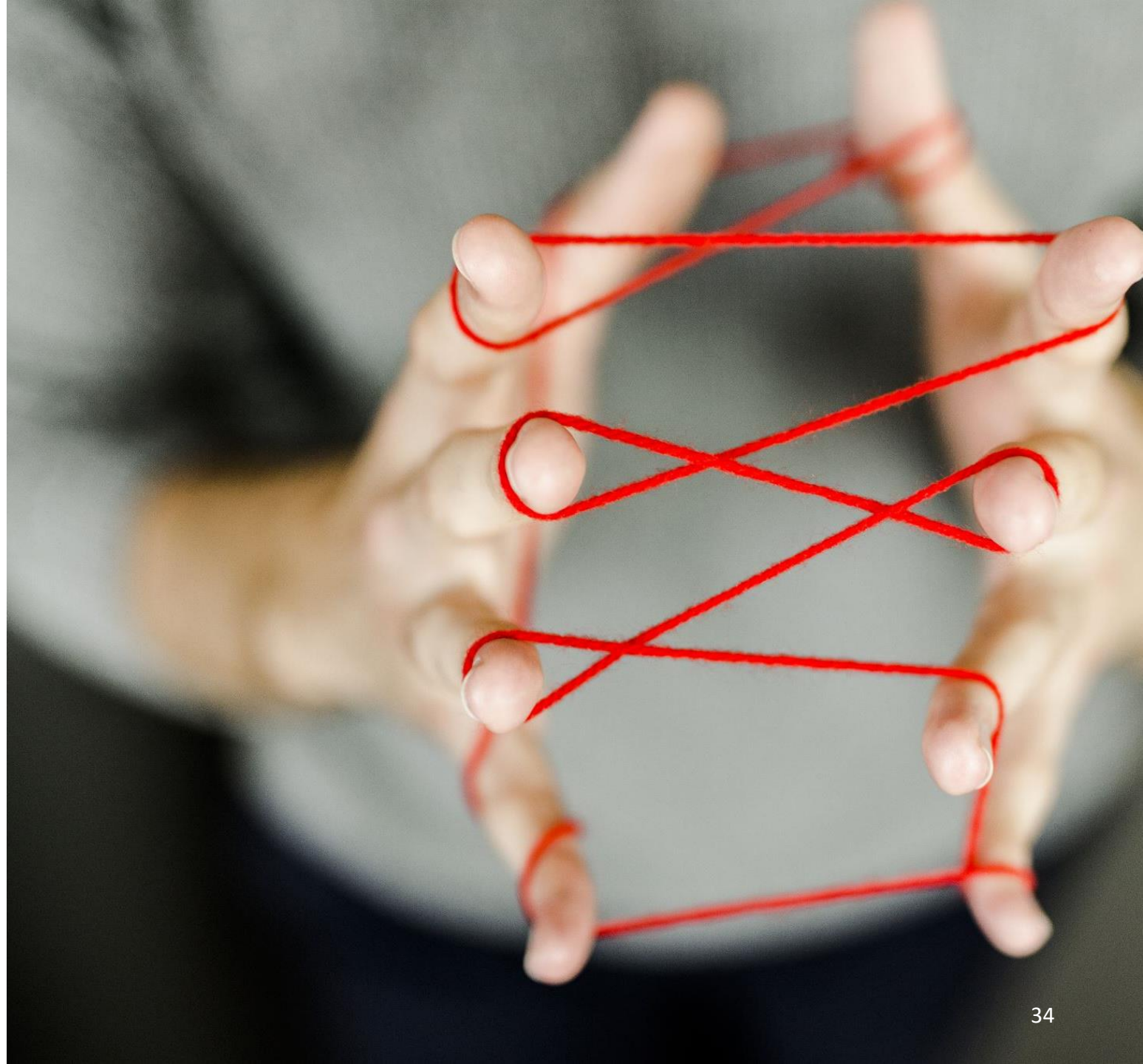
Others

- **Relaxation in claim of Preliminary expenses under section 35D** (*w.e.f. 1 April 2024 – AY 2024-25 onwards*)
 - Preliminary expenses for preparation of feasibility report, project report etc. is allowable if such reports are prepared by assessee itself or by a concern approved by CBDT in this regard
 - On relaxation, expenditure shall be allowed on furnishing of details to income-tax authorities within prescribed period in prescribed form

- **Disentitling the claim of set off of losses and unabsorbed depreciation for some cases under presumptive taxation** (*w.e.f. 1 April 2024 – AY 2024-25 onwards*)
 - Non-resident taxpayers engaged in the business of exploration of mineral oil (section 44BB) and foreign companies engaged in business of civil constructions etc. (section 44BBB) are eligible for presumptive taxation
 - If their profits are lower than the prescribed rates for presumptive tax, they are eligible to report lower profit after getting their accounts audited
 - In order to disincentivize the practice of opting in and out of the presumptive taxation scheme, the benefit of set off of brought forward losses and unabsorbed depreciation will not be allowed in the year in which presumptive taxation regime is adopted.



Anti-avoidance measures



Angel tax

- **Widening the ambit of Angel tax (*w.e.f.* 1 April 2024)**

- Section 56(2)(viib) widened to include 'non-resident' investors.
- Share premium on capital investment by a non-resident also needs to meet the fair value requirement.
- Specified VCs and other funds as well as 'notified start-ups' still excluded from valuation requirement.
- PE investors not covered as eligible excluded investors.

Poser: FEMA has a requirement of valuation as per internationally accepted methodology whereas Rule 11UA prescribes only NAV and DCF. What if FEMA valuation is higher than Rule 11UA valuation?

Gifts to R-NOR

- **Taxability of gift to Not Ordinarily Resident (*w.e.f.* 1 April 2024)**
 - Under Section 9(1)(viii), any sum of money exceeding INR 50,000 received by a non-resident from a resident is deemed to accrue or arise in India.
 - It is proposed to extend applicability of above provisions to Not Ordinary Residents for sum of money received on or after 1 April 2023.
 - Following person qualify as not ordinarily resident under Section 6(6):
 - Individual who has been a non-resident in India in 9 out of 10 previous years or has during the 7 previous years been in India for 729 days or less; or
 - HUF whose manager has been a non-resident in India in in 9 out of 10 previous years or has during the 7 previous years been in India for 729 days or less; or
 - Individual, being a citizen of India or a person of Indian origin, having India sourced income exceeding INR 15 lakhs during the previous year and who has been in India for a 120 days or more but less than 182 days in the year; or
 - Individual, being a citizen of India, having India sourced income exceeding INR 15 lakhs during the previous year, if he is not liable to tax in any other country or territory.

Join Development Agreement

- **Computation of consideration in case of a Joint development agreement (*w.e.f.* 1 April 2024)**
 - Section 45(5A) provides that capital gains arising to an individual or HUF on transfer of a capital asset, being land or building or both, under a Joint Development agreement, shall be chargeable to Income-tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority.
 - Further, for computing sale consideration, Stamp duty value of immovable property along-with consideration received in cash is to be considered.
 - Basis the language, an interpretation that any amount of consideration received in a mode other than cash, i.e., cheque or electronic payment modes would not be included in sale consideration was being adopted.
 - It is proposed that the phrase 'consideration received in cash' be substituted by 'consideration received in cash or by a cheque or draft or by any other mode'.

Business trusts

- **Plugging loophole in taxation of Business trusts (*w.e.f. 1 April 2024*)**
 - Rental, interest & dividend income of a REIT / INVIT ('business trust') is taxable directly in the hands of unit holders as per provisions of Section 115UA. Some distributions categorized as 'repayment of debt' may not be taxable in the hands of business trust or unit holders on account of exemptions available under Section 10(23FC) and 10(23FCA).
 - It is now proposed to tax distribution (other than rent, interest, dividend) by business trust to unit holders as Income from Other Sources wherever no tax is discharged by business trust on such income.
 - Further, if amount is received by unit holder towards redemption of units held by him, deduction on account of cost of acquisition may be taken to the extent of redemption amount. This income shall be chargeable to tax as Income from Other Sources.



Tax incentives



Start-ups

- **Relaxation to start-ups from provisions related to lapse of losses (*w.e.f. 1 April 2023*)**
 - Section 79 prohibits carry forward and set off of losses upon change in shareholding by more than 51%.
 - Relaxation is available for losses incurred by start-ups in the first 7 years after incorporation when such change is on account of primary infusion.
 - It is proposed to extend the relaxation to 10 years from the date of incorporation.
- **Extension of tax holiday to start-ups (*w.e.f. 1 April 2023*)**
 - A deduction for up to 100% of the profits and gains from business is available for eligible start-ups for any 3 consecutive years out of 10 years from the date of incorporation, subject to certain conditions.
 - One of the condition is that the eligible start-up shall be incorporated on or after 1 April 2016 but before 1 April 2023.
 - It is proposed to extend the sunset date to 1 April 2024.

IFSC

- **Extension of benefits to International Financial Services Centre ('IFSC')**
 - **Section 47(viiad):** Transfer by a shareholder / unit holder / interest holder of a share / unit / interest held by him in original fund in consideration of share / unit / interest in resultant fund in case of relocation of fund is not regarded as a taxable transfer for capital gains purposes if, inter-alia, relocation is done on or before 31 March 2023. It is proposed to extend sunset date to 31 March 2025 (*w.r.e.f. 1 April 2023*).
 - **Section 10(4E):** It is proposed to exempt income distributed to non-resident offshore derivative instrument holders by IFSC Banking Unit ('IBU') which has been charged to tax in the hands of IBU (*w.e.f. 1 April 2024*).

SEZ

- **Rationalization of exemption u/s 10AA to units in Special Economic Zone (w.e.f.. 1 April 2024)**
 - No deduction shall be allowed to assessee who does not furnish return of income on or before the due date.
 - Deduction shall be available only if proceeds from sale of goods or provision of services is received in or brought into, India in convertible foreign exchange, within a period of 6 months from the end of the previous year or, within such further period as Reserve Bank of India / other authority may allow.
 - Sale of goods or provision of services shall be deemed to have been received in India where such export turnover is credited to a separate account maintained for that purpose by the assessee with any bank outside India with the approval of the Reserve Bank of India.



Charities



Inter-trust donations

- **Donation to other trusts restricted to 85% (w.e.f. 1 April 2024)**
 - Amount credited or paid to other trusts or institutions (excluding corpus donation, which is not considered as application at all) shall be treated as application only to the extent of 85% of such amount credited or paid
 - The effect of this amendment may be seen from following example:

Particulars	Trust 1		Trust 2	
	Existing	Proposed	Existing	Proposed
Voluntary contribution received (a)	500	500	50	50
Donation from other trust (b)	-	-	200	200
Amount donated to Trust 2 (c)	200	200	200	200
Other application (d)	150	150	35	35
Surplus (a)+(b)-(c)-(d)	150	150	15	15
Minimum application @ 85% [(f) = {(a)+(b)}*85%]	425	425	212.5	212.5
Actual/deemed application (g) [(c)*85%+(d)]	350	320	235	205
Amount to be accumulated (f)-(g)	75	105	0	7.5

Further stringency – Corpus and Loan

- **Stringency in the exemption mechanism – S. 10(23C) and S. 11 (w.e.f. 1 April 2023)**
 - Finance Act, 2021 and 2022 brought out slew of amendments to the scheme of taxation of charitable or religious institutions.
 - One such amendment (FA 2021) was to consider the utilization of corpus or loan funds as application of income, only in the year in which the corpus is recouped, or in case of loan funds, when the loan is repaid.
 - In order to make the norms further stringent, following broad amendments are proposed to the existing scheme:
 - For claiming application made out of corpus, the recoupment mandated under the law, shall now be made within 5 years from the end of PY in which application out of corpus was made.
 - Similarly, loan shall be repaid within 5 years from the end of PY in which application was made out of loans or borrowings.
 - Application from Corpus prior to 31.03.2021, not eligible for benefit of being considered as application on investing back the money **[The intent is to not allow double application on investing back – but law does not carve out a scenario where prior to 31.03.2021 application from corpus was not considered as application for charitable or religious purposes]**.
 - The benefit of repayment of loan being considered as application of income shall not apply where such application from loan in made on or before 31.03.2021 **[same observation as in the case of corpus above]**.

Further stringency – Corpus and Loan

- **Stringency in the exemption mechanism – S. 10(23C) and S. 11 (w.e.f. 1 April 2023)**
 - Additionally, for getting the benefit of claiming application at the time of recoupment of corpus or repayment of loan, there shall not be any violation at the time of application from corpus or loans, in respect of following provisions:
 - Income derived from property held under Trust for promoting international welfare, for charitable or religious purposes outside India, shall have Board's approval for exemption [Not applicable for S. 10(23C)]
 - Corpus donation with specific direction to this effect was not treated as application of income
 - There is no violations of provisions of sections 40(a)(ia), 40A(3) or 40A(3A)
 - Application of income to be computed without any set off or deduction or allowance of excess application
 - Sum payable by the institution to be considered as application in the year in which such sum is paid
 - Conditions under section 13(1)(c) – no benefit to person referred to in section 13(3)

Mandatory Exit tax

- **Mandatory Exit tax on non-renewal of registration – Section 115TD (*w.e.f. 1 April 2023*)**
 - Current provisions under section 115TD provides for tax on accreted income of institutions which were eligible for exemptions for carrying out charitable or religious activities, but have ceased to be eligible for exemptions.
 - The law also provides for an eligible institution to renew its exemption by filing timely application before the authorized authorities.
 - Where an institution fails to make application in accordance with the provisions for re-registration and within the stipulated time-period, such institution shall be deemed to have been converted into a form not eligible for exemption, with effect from last date when for application for registration was supposed to be filed.
 - On mandatory exit, the tax on accreted income to be paid within 14 days by the trust or institution, including its principal officer.
 - On the accreted income, tax shall be payable at the maximum marginal rate.
 - Normal tax on total income of the institution shall also be payable (by virtue of non-availability of exemption).

Compliances

- **Change in due dates for filing statement of accumulation (*w.e.f. 1 April 2023*)**
 - Details of accumulation and shortfall in application of income is filed with the assessing officer in Form 10 / Form 9A.
 - These forms are required to be furnished on or before the due date for furnishing the return of income u/s 139(1).
 - Proposed to provide that these forms shall be filed at least two month prior to the due date u/s 139(1).

- **Denial of exemption on delayed filing of return of income (*w.e.f. 1 April 2023*)**
 - The exemption to these institutions shall not be available if their return of income is not filed within the time-limit prescribed under section 139(1) or 139(4).
 - The intent is to not allow exemption where an updated return is filed.

Registration provisions

- **Integration of provisional and final registration** (*w.e.f. 1 October 2023*)
 - If the activities of the institution covered u/s 10(23C), 12A or 80G - have commenced before the application for registration with the authority, but no exemption is yet claimed by the assessee, the authority shall have the power to grant final registration (for 5 years) directly, after satisfying himself about the objects and the genuineness.
 - In all other cases, the usual route of provisional registration followed by final registration shall be followed.
 - This power is applicable for applications made after 01.10.2023 only.

- **Powers to cancel registration by authority on specified violations** (*w.e.f.. 1 April 2023*)
 - Incomplete, false or incorrect information in the application for approval of exemption shall be considered as specified violation and can lead to cancellation of registration.



Assessment & Appeals



Assessments – change in timelines

- **Modification in timelines for completion of assessments- Section 153** (*w.e.f. 1 April 2023 – for AY 2022-23 onwards*)

Particulars	Existing deadlines	Proposed deadlines
Normal assessments	9 month from end of AY	12 months from end of AY
Assessment in case of updated return	9 month from end of FY when return was filed	12 months from end of FY
Cases where search or requisition proceeding is initiated during pendency of assessment or reassessment	Not stipulated	Additional 12 months

- The extension of 12 months beyond the stipulated time-lines for completion of assessment is possible even in cases of assessee to whom money, jewellery etc. seized or requisition belong and to assessee to whom books of accounts being requisitioned pertains.
- Extension for TP proceedings can apply also with an extension for search or requisition or in updated return case
- In computing the assessment time-lines, the period between the date when AO direct inventory valuation and the last date on which the assessee is required to file a report in this regard or such direction is set aside by a court, shall be excluded.

Assessments – change in timelines

- Timelines – as amended

Particulars	Normal assessment	TP assessment
AY 2021-22	31 December 2022	31 December 2023
AY 2022-23	31 March 2024	31 March 2025
AY 2023-24	31 March 2025	31 March 2026

Appeals - JCIT (Appeals)

- **Modifications in appellate regime – introduction of new first appellate layer** (*w.e.f. 1 April 2023*)
 - Various orders passed by officers below the rank of Joint Commissioner and not above the rank of Deputy Commissioner, would be appealable before Joint Commissioner (Appeals).
 - Eligible appeals pending before CIT(Appeals), may be transferred to JCIT (Appeals) or vice-versa.
 - On transfer of appeal between CIT(Appeals) or JCIT(Appeals) inter-se, appellant shall be given an opportunity of being reheard.
 - CBDT may formulate a scheme for disposal of appeals by JCIT(Appeals).
 - The time-limit of disposal of appeals, i.e. 1 year from the end of the financial year in which the appeal is file, shall also be to appeals disposed by JCIT (Appeals).
 - JCIT (Appeals) is vested with powers similar to powers held by CIT (Appeals).

Appeals – ITAT

- **Broadening the scope of appeal before ITAT – section 253** (*w.e.f. 1 April 2023*)
 - An appeal before the ITAT can be made only when an order is specified under this section.
 - Proposal to make order passed by CIT (Appeals) directly, under following sections, to be appealable:
 - S. 271AAB - Penalty where search has been initiate.
 - S. 271AAC – Penalty on income covered u/s 68, 69, 69A, 69B etc. and section 115BBE.
 - S. 271AAD – Penalty for false entry in books of accounts.
 - Since JCIT (Appeals) as an authority is newly constituted, proposal is to notify orders passed under these sections, as appealable - 154, 250, 270A, 271, 271A, 271AAC, 271AAD or 271J (incorrect information in reports).
 - Order passed by Pr. CCIT or CCIT under section 263 or 272A [failure to answer questions, sign statement, furnish information etc.] or an order u/s 154 rectifying such order shall also be appealable to ITAT.
 - The Department can also file appeal against the order of JCIT (Appeal) on orders passed under section 154 or section 250, similar to their power to file appeal against CIT(Appeals) order.
- Under Section 253, only an assessee can file an appeal against the DRP directions. The power of the Department to file such appeal [u/s 253(2A)] was specifically omitted by Finance Act 2016.
- **Currently, the power to file cross appeal u/s 253(4) is available only on appeal against CIT(Appeals) order. This specification of CIT(A) order is proposed to be removed. Thus, in respect of appeal against any order, the other party shall have right to file cross objection. Thus, Department would get right to file cross objection on appeals against DRP orders.**

Appeals

- **Appeals that can be made to CIT(A) but not to JCIT(A)**
 - Any order passed by officer above the rank of DCIT or with prior approval of such authorities above the rank of DCIT
 - Order of assessment or reassessment under section 153A [Search or requisition]
 - Order u/s 92CD(3) – pursuant to APA
 - Order u/s 163 – treating assessee as agent of non-resident
 - Order u/s 170(2) or 170(3) – Succession to business otherwise than on death
 - Order u/s 171 – assessment after partition of HUF
 - Order u/s 237 – Refund of excess taxes paid
 - Order u/s 239A – When a deductor of tax u/s 195 is also bearing the tax cost, deposits the taxes to central government yet claims that no tax is deductible under that section, can make application to AO for refund. The order approving or rejecting the refund is passed u/s 239A
 - Order imposing penalty u/s 221 – Penalty for TDS defaults
 - Order u/s 158BC – order in block assessment in search or requisition cases
 - Order u/s 158 BFA – Levy of certain interest and penalties in search or requisition cases

Withholding of refunds

- **Integration of provision for withholding and set-off refunds** (*w.e.f.. 1 April 2023*)
 - Section 241A providing for withholding of refund shall be inapplicable from 01st April 2023 – provision to be integrated under section 245.
 - Where any refund is due to found to be due to an assessee, the same can be adjusted against sums due from the person to whom refund is due, after giving an intimation in writing to such person of the proposed action.
 - Where a refund is due, and in view of a pending assessment or reassessment proceeding, **AO is of the opinion** that the grant of refund is likely to adversely affect the interest of the revenue, he may withhold the refund up to the date of assessment or reassessment, with prior approval.
 - **There is no restriction that refund arising only from assessment or reassessment proceedings can be withheld.**
 - The AO shall record the reasons for withholding the refund, in writing.

- **Non-payment of additional interest u/s 244A(1A) on refund withheld** (*w.e.f.. 1 April 2023*)
 - On refund due to 'order giving effect' is withheld under section 245, the period starting from the date of passing of withholding order and ending on the date of completion of assessment or reassessment, shall not be considered for payment of additional interest.
 - Additional interest u/s 244(1A) @ 3% are paid for refund due on passing of Order giving effect.
 - *Interest on refund due as per the normal tax return is not covered here.*

Withholding of refunds

- **Examples for functioning of this provision**

- **Example 1**

- Year 1 – Assessment order raised a demand of Rs. 100. CIT(A) reversed the order and determined a refund of Rs. 200.
 - Year 3 – Demand raised in the assessment order and appeal is being filed by the assessee to CIT(A). 20% of demand is adjusted against refund arising from CIT(A) order.
 - Year 4 – Notice of assessment u/s 143(2) issued to the assessee prior to passing of CIT(A).
 - AO withholds the refund arising from CIT(A) order by passing an order u/s 245(2) anticipating demand in year 4's assessment.
 - Even if the outcome of year 4's assessment is favorable to the assessee and refund becomes payable, additional interest u/s 244A(1A) shall not be computed for period between withholding of refund & date of assessment.

- **Example 2**

- Year 1 – Case selected for scrutiny.
 - Year 2 – Refund becomes due – case not selected for scrutiny.
 - AO withholds the refund under Section 245(2) in view of assessment pending for year 1.
 - Interest on refund u/s 244A shall be due and payable up to the date of actual refund after assessment.

Penalties and Prosecution

- **Expanding in scope of penalty and prosecution (S. 271C and 276B) (w.e.f. 1 April 2023)**
 - Currently, penalty is imposed and prosecution is launched when the assessee fails to pay the whole of tax or any part as required under 115-O(2) or the proviso to section 194B.
 - It is proposed to levy penalty and prosecution on failure to pay or to ensure payment of, the whole of any part of the tax under following provisions.
 - section 194R(1) [TDS on Perquisite or benefit].
 - proviso to section 194S(1) [TDS on VDA].
 - Section 194BA(2) [TDS on online gaming] – **w.e.f. 1 July 2023.**

- **Penalty for furnishing inaccurate information in Statement of financial transaction (S. 271FAA) (w.e.f.. 1 April 2023)**
 - Prescribed reporting financial entities and other prescribed persons are required to furnish SFT to the tax department.
 - On furnishing of inaccurate information in SFT due to false or inaccurate information furnished by the holders of the reportable accounts, additional penalty of Rs. 5000 for every inaccurate reportable account shall be levied.
 - The additional penalty shall be recoverable by reporting entity from account holders.

Enabling claim of subsequent TDS

- **Enabling claim for tax deducted at source subsequently, on income offered to tax in the past (*w.e.f. 1 October 2023*)**
 - Under the current tax regime, if tax is deducted at source in a particular year, but the income is offered to tax in the subsequent year, the assessee has the option to carry-forward the credit of TDS to subsequent years when the income is offered to tax.
 - A credit for TDS deducted after the corresponding income is offered to tax, can be claimed, only by virtue of a revised tax return. With a short time window for revision of the returns, assessee would not be able to claim TDS deducted at a later date.
 - A mechanism is now proposed to make an application to AO under section 155(20), seeking credit of tax deducted/deposited in a year subsequent to the year in which the corresponding income was offered to tax.
 - The TDS credit shall be allowed within 2 years from the end of the FY in which TDS was made, by amending the assessment order or any intimation with updated TDS credit for relevant AY.
 - **No time limit prescribed for gap between the year of offering income and year in which TDS is made, for availing this benefit.**
 - On the resulting refund arising from TDS credit allowed, will be eligible for interest u/s 244A @ 0.5% p.m. from the date of application to AO till the date when refund is granted.

Clarification on interest for Updated return

- **Credit of advance tax while filing Updated Return (*w.r.e.f. 1 April 2022*)**
 - Updated tax return (“UTR”) can be filed by an assessee within 24 months from the end of the relevant AY – if no return was filed in the past or if an enhanced income is sought to be reported.
 - UTR can be filed on payment of additional Income-tax – computed at 25%/50% of the tax and interest payable.
 - For computation of interest u/s 234B, existing provisions read that such interest shall be computed on assessed tax (tax due on enhanced income) or amount by which advance tax falls short of assessed tax, after taking into account credits under section 140A claimed in earlier return (including advance tax).
 - This language could lead to an interpretation that interest u/s 234B in case of updated return, shall be computed on the difference between assessed tax (for updated return) and advance tax alone.
 - The proposed amendment removes the specific reference to advance tax in the provision for interest u/s 234B.
 - Advance tax claimed in the earlier return shall continue to be reduced from assessed tax, since all the adjustments u/s 140A (which includes advance tax) claimed in earlier return is allowed to be deducted.

Modification in reassessment regime

- **Modifications in reassessment regime** (*w.e.f. 1 April 2023*)
 - The return of income in response to notice under section 148 can be filed within 3 months from the end of the month in which the notice is issued or such period as may be allowed by the AO (no such timeline, currently).
 - A return filed beyond the above time-limit shall not be deemed to be a return required to be filed under section 139.
 - In Search or Requisition cases where its initiation or authorization or requisition itself is made after 15th March and the limitation period for issuance of Notice under Section 148 ends on 31st March following that, a 15 day period shall be excluded from the period of limitation and the notice shall be deemed to have been issued on 31st March itself.
 - Where information suggesting escapement of income emanates from statements recorded or documents impounded in consequence of a search or requisition initiated or authorized after 15th March, similar adjustment to period of limitation shall be made for the purposes of issuing the Notice under section 148A(b).
 - For the purposes of Sanction of reassessment proceedings (u/s 151), the three year period, for determining the appropriate authority, shall be computed after considering the exclusions to period of limitation u/s 149.

Others

- **Extension of time-limit for rectification of orders by Interim Board of settlement (*w.r.e.f.* 1 February 2021)**
 - On transition of Settlement Commission into Interim Board of Settlement, the statute provided for extension of time-limit for rectification of mistakes apparent in the orders, for the time taken for constitution of the Interim Board.
 - Where due-dates for passing rectification order or for making rectification application expired on or after 01.02.2021 but before 01.02.2022, the time-limit is extended to 30.09.2023.

- **Scope of special audit provision under section 142 expanded to include inventory valuation (*w.e.f.* 1 April 2023)**
 - Currently AO is authorized to direct special audit in the case of an assessee with prior approval, owing to nature and complexity of accounts, doubts about its correctness, multiplicity of transactions etc., after considering the interest of the revenue and after providing an opportunity of being heard to the assessee.
 - AO to also have power to direct inventory valuation by a cost accountant nominated by the Department and to direct the furnishing of such valuation report in prescribed form verified by the nominated cost accountant.
 - **The proposal does not specify that inventory valuation can be directed only if the maintenance of cost records are mandatory under the Companies Act in case of the assessee.**

INCOME-TAX RATES

TABLE 1

Slabs of income with rates in the case of individuals, Hindu undivided families (other than those covered by Table 2), associations of persons, bodies of individuals, etc.

Income slab	Existing rates*	Income slab	Proposed rates*
Upto Rs.22,000	Nil	Upto Rs.28,000	18%
Rs.22,001-Rs.30,000	20%	Rs.28,001-Rs.50,000	20%
Rs.30,001-Rs.50,000	30%	Rs.50,001-Rs.1,00,000	30%
Rs.50,000-Rs.1,00,000	40%	Above Rs.1,00,000	40%
Above Rs.1,00,000	50%		

TABLE 2

Slabs of income with rates in the cases of Hindu undivided families having one or more members with independent income exceeding the exemption limit.

Income slab	Existing rates*	Income slab	Proposed rates*
Upto Rs.12,000	Nil	Upto Rs.18,000	Nil
Rs.12,001-Rs.20,000	25%	Rs.18,001-Rs.1,00,000	30%
Rs.20,001-Rs.40,000	30%	Above Rs.1,00,000	40%
Rs.40,001-Rs.60,000	40%		
Rs.60,001-Rs.1,00,000	50%		
Above Rs.1,00,000	55%		

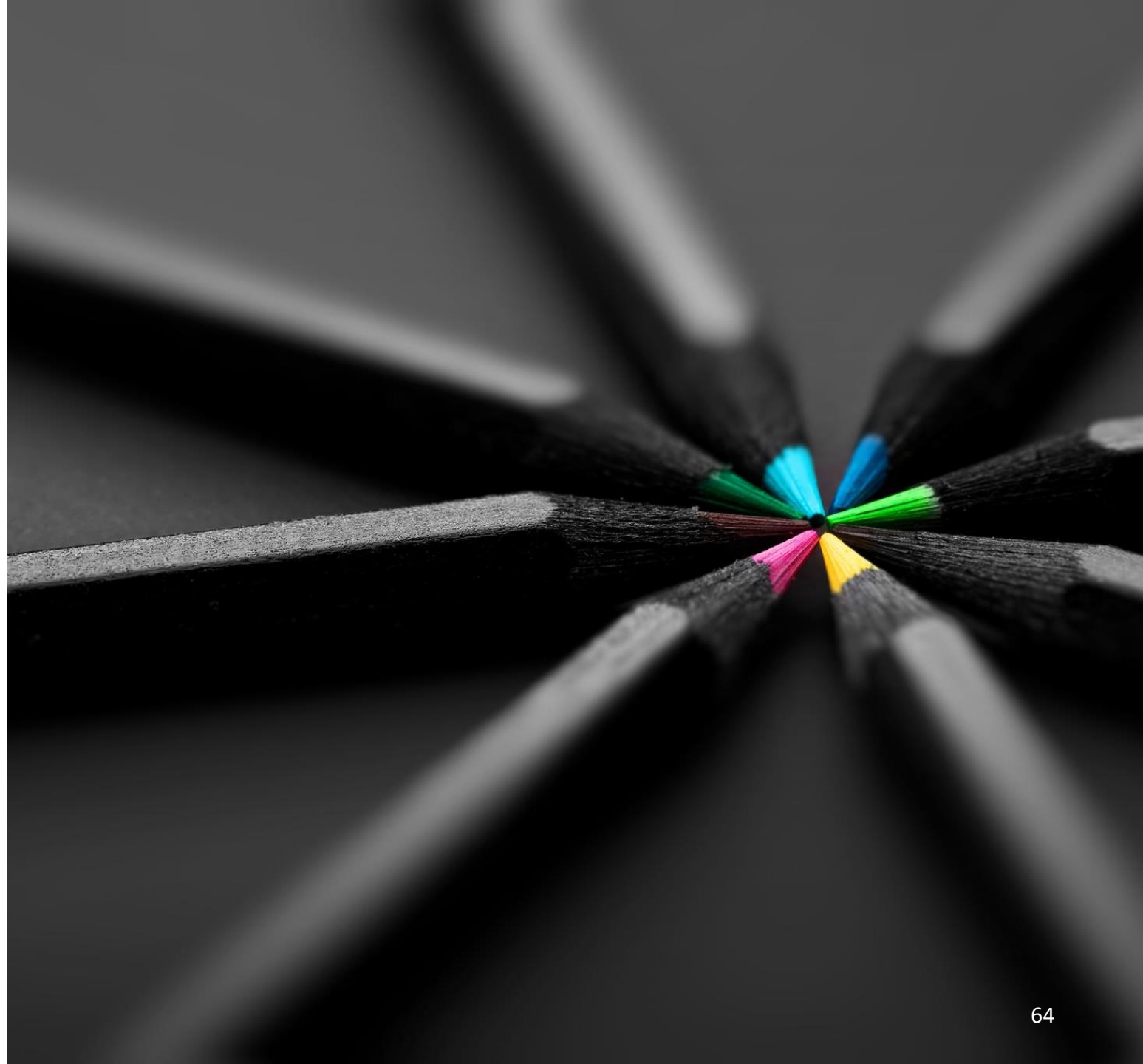
* Rates as specified in Part I of the First Schedule to the IIT

* Rates as specified in Part II of the First Schedule to the IIT

Slab rates in 1992!



Miscellaneous



Miscellaneous

- **Section 2(42A), 47(viid) and 49(10):** Conversion of physical gold into Electronic Gold Receipt and vice versa by a SEBI registered Vault Manager will not be regarded as “transfer” for the purpose of capital gains. Cost of acquisition and holding period of original asset shall continue to remain available. *(w.e.f.. 1 April 2024)*.
- **Section 72A:** Sale of shareholding by a public sector company included in definition of strategic disinvestment *(w.e.f.. 1 April 2023)*
- **Section 72AA:** Benefit extended to cases of amalgamation of one or more banking company with any other banking institution or a company subsequent to a strategic disinvestment *(w.e.f.. 1 April 2023)*
- **Section 10(22B):** Removal of exemption to any income of a notified news agency which is set up in India solely for collection and distribution of news *(w.e.f.. 1 April 2024)*
- **Section 92D:** Time limit for furnishing TP report reduced from 30 days to 10 days. This may be extended for a further period not exceeding 30 days. *(w.e.f.. 1 April 2023)*

Miscellaneous

- **Section 132:** Insertion of enabling provisions for taking assistance from professionals, valuer, etc. in search and seizure cases. (*w.e.f.. 1 April 2023*)
- **Section 46 and 54A of Benami Property Act:** Allow filing of appeal by Initiating Officer within 45 days of receipt of order. (*w.e.f.. 1 April 2023*)
- **Section 135A, 250 and 274:** Enabling provisions introduced to amend directions issued for the purpose of giving effect to faceless schemes and proceedings (*w.r.e.f.. 1 April 2022*)
- **Section 245MA and 245R:** Enabling provisions introduced to amend directions issued for the purpose of giving effect to faceless schemes and proceedings (*w.e.f.. 1 April 2023*)
- **Section 155(20):** Enabling provision for assessee to make an application to the Assessing Officer for cases where income was offered earlier but tax has been deducted in subsequent year (*w.e.f.. 1 October 2023*)

Miscellaneous

- **Section 80G:** Jawaharlal Nehru Memorial Fund, Indira Gandhi Memorial Trust and Rajiv Gandhi Foundation omitted from the list of eligible fund / trust. *(w.e.f.. 1 April 2024)*
- **Section 13(1) of UTI Repeal Act:** Extension of tax holiday in relation to Specified Undertaking of UTI till the period ending 30 September 2023. *(w.e.f.. 1 April 2023)*
- **Section 276A:** No fresh prosecution shall be launched in case of a liquidator who fails to comply with certain provisions of the Act *(w.e.f.. 1 April 2023)*



Q & A



Thank you



The presentation is not a professional advice and is meant for academic discussions only.



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