

R. C. JAIN & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

****DECRYPTING THE BUDGET****



“THE SLIGHTEST ADJUSTMENTS TO YOUR DAILY ROUTINES CAN DRAMATICALLY ALTER THE OUTCOMES IN YOUR LIFE.”



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❖ HIGHLIGHTS

➤ **Finance Minister has Proposed 9 Priorities**

- Productivity and resilience in Agriculture
- Employment and Skilling
- Inclusive Human Development
- Energy Security
- Manufacturing and Service
- Innovation
- Research and Development
- Infrastructure
- Next generation reforms

➤ **Key pronouncements thereunder**

- FM announces changes in new tax regime -- Standard deduction proposed to increased to Rs 75,000 from Rs. 50,000 resulting in a tax saving of Rs. 8,112/-.
- In new tax regime, tax rate structure to be revised (0-3L: Zero, 3-7L : 5%, 7-10L : 10%, 10-12L : 15%, 12-15L : 20%, 15 & above, 30%) – Resulting in a tax saving of 10,088/-.
- Salaried employee in new tax regime will save up to Rs 18,200(without surcharge with cess) and upto max 22,750/- (with max surcharge & cess) in income tax.
- Deduction on family pension for pensioners increased from Rs. 15,000 to Rs. 25,000/-.
- Short term capital gains on Financial assets raised to 20% from 15% and long term to 12.5 %, from 10%. The said rate of 12.50% on LTCG remain same for ALL asset classes now.
- Erstwhile limit of exemption for long term capital gains will be increased from Rs. 1 lakh per year to Rs 1.25 lakh per year.
- Unlisted bonds, debentures, debt mutual funds, market-linked debentures to be taxed as short term and long term as above, i.e. @ 20% and 12.5% respectively.
- Investments like Property, Gold and other unlisted assets also to be taxed at 20% & 12.5% as above WITHOUT ANY INDEXATION BENEFIT.
- Holding period rationalised for different Investments. For all listed securities, the holding period is proposed to be 12 months and for all other assets, it shall be 24 months. No longer 36 month holding for ANY asset.
- STCG on Financial assets to attract increased 20% tax and other STCG to be taxed at slab rates.
- Increased STT on futures and options.
- Income from buyback to be taxed in the hands of the shareholder rather than the company erstwhile.

- Corporate tax rate on foreign companies reduced to 35%
- Govt.
- announces that angel tax to be abolished
- Two tax exemption regimes for charities to be merged into one
- TDS rate changes in various sections (prominent ones being TDS on commission pay out reduced from 5% to 2%, TDS on Rent above Rs.50,000/- reduced from 5% to 2%, Payments of certain amount by E-commerce operators to E-commerce participants reduced from 1% to 0.1%, TDS @ 10% introduced on payment of certain amounts to Partners for a value more than Rs.20,000/-)
- Professionals in MNCs who get ESOPS and then invest in movable assets abroad of upto Rs 20 lakh decriminalized / non-penalised.
- Erstwhile Vivaad se Vishwas Scheme reintroduced for settlement of long pending litigations.
- Amnesty in GST also, for Cases prior to F Y 2019-20
- Customs duty on gold and silver to be reduced to 6%, platinum to 6.4%. Other common items of duty cuts/reductions include Mobiles, Chargers & Accessories, Three cancer treatment medicines, X-ray machines for medical, surgical, dental or veterinary. Reductions observed in other items also.

DIRECT TAX

A. Tax Rates

❖ Rates of Income Tax

➤ Individual, HUF, association of persons, body of individuals, artificial juridical person.

- There is no change in slab rate under old regime of Income Tax Act.
- There are certain changes in slab rates under new regime (115BAC) as compared to previous year along with the changes in Rebate & Surcharge.

Sr.no	Old slabs (Under new scheme)	New slabs (Under new scheme)	Rates
1	Upto 3,00,000	Upto 3,00,000	Nil
2	3,00,001 to 6,00,000	3,00,001 to 7,00,000	5%
3	6,00,001 to 9,00,000	7,00,001 to 10,00,000	10%
4	9,00,001 to 12,00,000	10,00,001 to 12,00,000	15%
5	12,00,001 to 15,00,000	12,00,001 to 15,00,000	20%
6	Above 15,00,000	Above 15,00,000	30%

➤ Tax rates of Foreign Companies

- In the case of a company other than a domestic company, **it is proposed that the rates of tax shall be reduced from 40% to 35%**, on income other than income chargeable at special rates, specified in respective sections of Chapter XII of the Act.

B. Salary

Sr. No.	Deduction	Original Provision	As per latest budget (for 115BAC)
1	Standard Deduction	Maximum deduction = 50,000	Maximum deduction = 75,000

C. Profit from Business and Profession

❖ **Increase in limit of remuneration to working partners of a firm allowed as Deduction:**

➤ **Section 40(b)(v) provides for;**

- Disallowance of any payment of remuneration to any partner during the previous year exceeds the aggregate amount computed as hereunder:

(a)	on the first Rs. 3,00,000 of the book profit or in case of a loss	Rs. 1,50,000 or at the rate of 90 per cent of the book-profit, whichever is more
(b)	on the balance of the book-profit	at the rate of 60 per cent

- It is now proposed to amend the limit of remuneration which is allowed as deduction.

The Limits are as follows:-

(a)	on the first Rs. 6,00,000 of the book-profit or in case of a loss	Rs. 3,00,000 or at the rate of 90 per cent of the book-profit, whichever is more
(b)	on the balance of the book-profit	at the rate of 60 per cent

- The applicability of this amendment will be taking effect from 1st April, 2025, and will accordingly apply in relation to assessment year 2025-2026 and subsequent years.

❖ Preventing misuse of deductions of expenses claimed by life insurance business.

- **Section 44** of the Income Tax Act governs how profits are calculated for insurance businesses, including mutual companies and cooperatives. Specifically, **Rule 2 of the First Schedule** for life insurance businesses uses actuarial valuations to determine profits.
- Recently, some life insurance companies have claimed non-business expenses without adjusting their income accordingly. To prevent this, an amendment proposes that any **expenses not allowed** under **Section 37** of the Act must be **added back to their profits**.
- This change starts from April 1, 2025, affecting the assessment year 2025-2026 onwards.

❖ Tax incentives to International Financial Services Centre (IFSC)

- Specified Funds [**Section 10 (4D)**]
 - The amendment aims to expand the types of specified funds **eligible for tax exemption** to include **Retail funds**, and Exchange **Traded Funds (ETFs)** within the IFSC
 - These funds must be **established or incorporated in India** as trusts, companies, limited liability partnerships, or bodies corporate. They need to have a **certificate** as a retail

scheme or ETF and be regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, under the IFSCA Act, 2019.

- Core Settlement Guarantee Funds [**Section 10(23EE)**]
 - The specified income of **Core Settlement Guarantee Funds** set up by recognized clearing corporations in the IFSC will be **exempted from tax**.
 - The definitions of “recognized clearing corporation” and “regulations” will be updated to include those defined under the IFSCA (Market Infrastructure Institutions) Regulations, 2021.
- Inclusion of **IFSCA-Regulated Venture Capital Funds (VCFs)**, The relaxation currently in place for SEBI-registered VCFs is proposed to be extended to VCFs regulated by the International Financial Services Centres Authority
 - Currently, **Section 68** of the Income-tax Act deals with the taxation of unexplained cash credits in an assessee's books for any previous year and the assessee cannot satisfactorily explain its nature and source, the sum is charged as income for that year.
 - **Extended Onus of Proof**, the source of any sum, whether as a loan, borrowing, or any other liability, must also be explained in the hands of the creditor or entry provider for it to be considered explained. **This additional condition** does not apply if the creditor is a well-regulated entity, such as a **Venture Capital Fund (VCF)** or **Venture Capital Company (VCC) registered with SEBI**. The definition references the Explanation to **Section 10 (23FB)**

❖ **Promotion of domestic cruise ship operations by non-residents**

- **Section 44B**, which relates to **presumptive taxation** for the **shipping business of non-residents**, will **no longer apply** to the cruise-ship business.
- A new **section 44BBC**, is proposed to establish a presumptive taxation regime for **non-resident cruise ship operators**. This regime will deem **20%** of the total amount received or receivable by, or paid or payable to, the non-resident cruise-ship operator for passenger carriage as profits and gains from the cruise-ship business, subject to prescribed conditions.
- Introduction of a **new clause (15B) in Section 10** provides exemption of the **Income from lease rentals** will be exempt for foreign companies if both the foreign company and the non-resident cruise ship operator are subsidiaries of the same holding company.
- These amendments will be effective from April 1, 2025, and will apply from the assessment year 2025-26 onwards

❖ **Removing reference to National Housing Board in Section 43D of the Act**

- **Omitting clause (b) of section 43D of the Act and clause (a) and (b) of Explanation to section 43D of the Act** in order to remove reference to **National Housing Bank**, since Housing Finance Companies have come under the purview of the RBI as a category of Non-Banking Financial Companies (NBFCs). In the Act, separate provisions already exist in **section 43D** with respect to NBFCs
- The applicability of this amendment will be taking effect from 1st April, 2025, and will accordingly apply in relation to assessment year 2025-2026 and subsequent years.

❖ **Disallowance of settlement amounts being paid to settle contraventions**

Section	Old explanation	Amended Explanation
37	<p>General Deductions: Disallowance of settlement amounts being paid to settle contraventions:</p> <p>Any expenditure incurred by an assessee for any purpose which is an offence or which is prohibited by law shall not be deemed to have been incurred for the purpose of business or profession and no deduction or allowance shall be made in respect of such expenditure.</p> <ul style="list-style-type: none"> • Such expenditure include expenditure under any offence in India or outside India, or • any benefit or perquisite which is in violation of any law, rule, or regulation or guidelines or • any expenditure to compound an offence under any law in India or outside India. 	<p>Now it is proposed to also include in explanation of disallowance of settlement amounts being paid to settle contraventions:</p> <ul style="list-style-type: none"> • Any expenditure incurred by an assessee to settle proceedings initiated in relation to a contravention under any law <p>The amendment is proposed to be made effective from the 1st April, 2025 and will accordingly apply from AY 2025-2026 onwards.</p>

D. Capital Gain

➤ **Change in Holding Periods:**

- It is proposed that there will be **only two holding periods**, i.e. 12 months and 24 months for determining whether the capital gains is short-term capital gains or long term capital gains.
- Following are the holding periods for Capital Assets:

Asset	Previous Holding period	Amended Holding period
Listed Shares/Securities	12 months	12 months
Unlisted shares/securities	24 months	24 months
Bonds, Debentures, Gold	36 Months	24 Months
Immovable Property	24 months	24 months
Units of business trust	36 months	12 months

This amendment will take effect **prospectively from 23rd July, 2024.**

➤ **Change in Short term and Long term capital gain tax rate and exemption limits:**

<u>Particulars</u>	<u>As per Previous Provision</u>	<u>As per Amended provision</u>
Effective Date	Before 23rd July 2024	On or after 23rd July 2024
Short-term capital gain under provisions of section 111A of the Act on STT paid equity shares, units of equity oriented mutual fund and unit of a business trust	Tax rate was 15%	Tax Rate of 20%
Long term capital gain for STT paid listed equity shares, units of equity-oriented fund and business trust under section 112A	Tax Rate was 10%	Tax Rate of 12.5%
Listed bonds and debentures	Tax rate of 20% without indexation	Tax Rate of 12.5% without indexation
LTCG on Other Non Financial Assets	Tax rate of 20% with indexation	Tax Rate of 12.5% without indexation
Exemption limit under section 112A	Upto Rs. 1,00,000	Upto Rs. 1,25,000
Indexation for calculation of long term capital gain under second proviso to section 48 (Assets like property, gold, etc.)	Indexation allowed , as per the applicable Cost Inflation Index for the respective year.	No Indexation Benefit

➤ **Amendment to Special provision for computation of capital gains under section 50AA:**

Section	Old explanation	Amended Explanation
50AA	Earlier only Specified Mutual Funds acquired on or after the 1st day of April, 2023 and Market Linked debentures were covered under the said section.	Now it is proposed to include an unlisted bond or an unlisted debenture which is transferred or redeemed or matures on or after the 23rd day of July, 2024. This amendment in section 50AA shall come into effect from the 23rd day of July, 2024
	Definition of “Specified Mutual Funds” Specified Mutual Fund" means a Mutual Fund by whatever name called, where not more than thirtyfive per cent of its total proceeds is invested in the equity shares of domestic companies. Provided that the percentage of equity shareholding held in respect of the Specified Mutual Fund shall be computed with reference to the annual average of the daily closing figures.	Definition of “Specified Mutual Funds” a) Mutual Fund by whatever name called, 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 a fund referred to in sub-clause (a). The above amendment is proposed to be brought into effect from 1st day of April, 2026 and shall be applicable from AY 2026-27 onwards.

➤ **Amendments to section 115AD, 115AB, 115AC, 115ACA,115E, 196B and 196C:**

- **For Specified fund or Foreign Institutional Investor**

Section	Long Term / Short Term	Before 23 rd July 2024	On or after 23 rd July 2024
115AD	Short Term u/s 111A	15%	20%
	Long Term 112A	10%	12.5%
	Exemption Limit for Long Term u/s 112A	1,00,000	1,25,000

- For Overseas Financial Organisation (Offshore Funds) who received income by way of long-term capital gains arising from the transfer of units purchased in foreign currency.

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
115AB	Long Term 112A	10%	12.5%

- For Non Resident who received income by way of long-term capital gains arising from the transfer of bonds or Global Depository Receipts purchased in foreign currency.

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
115AC	Long Term 112A	10%	12.5%

- For individual, who is a resident and an employee of an Indian company engaged in specified knowledge based industry or service, or an employee of its subsidiary engaged in specified knowledge based industry or service transfers Global Depository Receipts purchased in foreign currency

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
115ACA	Long Term 112A	10%	12.5%

- For Non Resident who received income by way long-term capital gains of an asset other than a specified asset.

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
115E	Long Term 112A	10%	12.5%

- Person who is liable to transfer income to an Offshore Funds which is earned by way of long-term capital gains arising from the transfer of units purchased in foreign currency u/s 115AB shall deduct tax at the following rate:

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
196B	Long Term 112A	10%	12.5%

- **Person who is liable to transfer income to Non Resident who received income by way of long-term capital gains arising from the transfer of bonds or Global Depository Receipts purchased in foreign currency u/s 115AC shall deduct tax at the following rate**

Section	Long Term	Before 23 rd July 2024	On or after 23 rd July 2024
115AC	Long Term 112A	10%	12.5%

➤ **Changes in Cost of Acquisition**

Section	Old Explanation	Amended Explanation
55(2)(ac)	Earlier for calculation of FMV at the time of acquisition of Shares transfer through Offer for Sale (OFS) that were unlisted at the time of transfer but listed later, there were no explanations for calculation of FMV.	Now it is proposed to insert a new explanation under explanation (iii) as "AA" which mention that Shares transfer through Offer for Sale (OFS) that were unlisted at the time of transfer but listed later, the FMV for calculating cost of acquisition should be proportionate to the Cost Inflation Index for the financial year 2017-18. This change will be applied retrospectively from April 1, 2018, affecting the assessment year 2018-19 and onwards.

E. Income from Other Sources

❖ Section 56(2)(viib) :- Shares issued on premium.

- If a company (not publicly held) receives any **consideration for the issue of shares from a resident**, and the consideration **exceeds the fair market value** of the shares, the excess amount is **taxable under "Income from other sources."** but however, the government has decided to sunset **Section 56(2)(viib)**. This **amendment means that Section 56(2)(viib) will not apply starting from the assessment year 2025-26** with effect from April 1, 2025.

❖ **Taxability of Buyback :**

Section	Old	Amended Provision
115QA	Amount distributed by Domestic company on buyback of Listed Shares and Unlisted Shares to shareholders shall be solely taxable in the hands of Domestic Company @20% on buyback amount.	<p>Amount distributed by domestic company on buyback of Listed Shares or Unlisted Shares to shareholders shall be solely taxable in the hands of Shareholders and the said income will be treated as dividend income under the head “Income from Other Source” & will be at the applicable income tax rates in the hands of the shareholders.</p> <p>Shareholders cannot deduct expenses against this Buyback Income. However, the cost of acquisition of buyback shares will be consider as capital loss.</p> <p>Capital Loss:</p> <p>The cost of acquisition of the buy-back shares will result in a capital loss. This capital loss can be carried forward and offset against future capital gains from the sale of other shares, thus reducing the taxable capital gains. The deemed value of consideration for the buy-back will be treated as nil for calculating the capital loss.</p> <p>These amendments mentioned above will take effect from the 1st October, 2024</p>

Further the same is explained with the help of below example:

Transactions	Details	Amount (Rs)
Shares Bought (2020)	100 shares @ Rs. 40/share	4,000
Shares Bought Back (2024)	20 shares @ Rs. 60/share	1,200 (deemed dividend)
Capital Loss on Buyback	Rs. 40/share * 20 shares	800
Shares Sold (2025)	50 shares @ Rs. 70/share	3,500
Total Cost of Acquisition	50 shares * Rs. 40/share)	2,000
Capital Gain	(Sale Proceeds - Total Cost)	1,500
Chargeable Capital Gain	(Capital Gain - Capital Loss Set-Off)	700

F. Deductions u/c VI A

Sr.no	Deduction	Original Provision	As per latest budget (for 115BAC)
1	Family Pension	Deduction = 1/3rd of Pension amount or 15,000 whichever is less	Deduction = 1/3rd of Pension amount or 25,000 whichever is less

- Increase in Deduction allowed under pension (Section 80CCD) for the new scheme. Employer's contribution (other than Central Government or State Government) allowed as deduction u/s 80CCD **has been increased from 10% of the employee's salary to 14% of the employee's salary**. The same is allowed as a deduction to the employer as well under section 36 under the head 'Profit & Gains from Business & Profession'

G. Special Case

❖ Amendments in respect of Trusts

Section	Existing Provision	Proposed Provision
80G	Following names of trust or institution has been mentioned u/s 80G. <u>National Sports Fund.</u>	Following names of trust or institution has been substituted u/s 80G. National Sport Fund to <u>National Sports Development Fund w.e.f. AY 2025-26.</u>
Proviso 1 & 2 to 80(5)	It provides timelines for filing application for approval , for funds or institutions referred to in sub-clause (iv) of clause (a) of sub-section (2) of section 80G and lays down the procedure for processing the same.	Now, the provisos are amended to rationalize the timelines for filing applications for approval. These amendments will take effect from the 1st day of October, 2024.
12A	Currently, trusts or institutions must apply for registration under section 12AB within specified timelines as per clause (ac) of sub-section (1) of section 12A. Failure to do so may result in tax liability on accreted income under Chapter XII-EB and potential permanent exit from the exemption regime.	It is proposed that the Principal Commissioner or Commissioner be empowered to condone delays in filing such applications if reasonable cause is demonstrated. This would allow late applications to be treated as filed within the specified time, mitigating unintended tax consequences and ensuring continuity of exemption status for trusts or institutions. These amendments are scheduled to come into effect from October 1, 2024.
80G & 12AB	Time limit of approval or rejection of application seeking registration from Principal Commissioner or Commissioner u/s 12AB or 80G was 6 months from the <u>end of month in which application was received.</u>	Time limit of approval or rejection of application seeking registration from Principal Commissioner or Commissioner u/s 12AB or 80G is 6 months from the <u>end of quarter in which application is received.</u>

12AC	Currently, trust or institution which is approved / registered under the first or second regime, as the case may be merges with another approved / registered entity under either regime, it may attract the provisions of Chapter XII-EB, relating to tax on accreted income in certain circumstances	Now, a new Section 12AC is inserted where certain conditions are proposed under which provisions of Chapter XII-EB will not be applicable: <u>Conditions mentioned in Section 12AC:</u> I. Both the trusts/institutions have same or similar objects . II. Both the trusts/institutions are registered under section 12AA or 12AB or under sub-clause (iv)/(v)/(vi)/(via) of clause 23C of Section 10. III. The said merger fulfills such conditions as notified by the government in near future.
10(23C)	The Act describes the trusts and institutions into two regimes as follows: <ul style="list-style-type: none"> • Regime 1: Any fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 • Regime 2: trusts registered under section 12AA/12AB 	Now, It is proposed that the first regime be sunset and trusts, funds or institutions be transited to the second regime in a gradual manner. In simple words, Section 10(23C)(iv)/(v)/(vi)/(via) will become inoperative from 1st October 2024 . It is further proposed that, <ul style="list-style-type: none"> • Applications seeking approval u/s 10(23C) shall not be considered if filed after 1st October 2024. • Applications filed u/s 10(23C) shall be considered under the same if filed before 1st October 2024, but only till the validity of the said approval. • Approved Trust, funds or institutions would continue to get the benefits of exemptions till the validity of the said approval. • Subsequent registration after expiry will only be valid if applied under second regime as proposed. • Certain eligible modes of investment, under the first regime shall be protected in second regime.
11(7)	Registration under section 12AB shall become inoperative, if the trust or institution is approved / notified under clause (23C), (23EC), (46) or (46A) of section 10.	Now it is proposed to include clause (23EA) , clause (23ED) and clause (46B) of section 10 of the Act in the said subsection 7 of section 11. These amendments will take effect from the 1 st day of April, 2025.

❖ Amendments in Transfer Pricing Provisions

- **Determination of Arm's Length Price in respect of specified domestic transactions in proceedings before Transfer Pricing Officer**

Section	Old	Amended Provision
92CA(2A) & 92CA(2B)	Allows the Transfer Pricing Officer (TPO) to determine the Arm's Length Price (ALP) for international transactions not referred by the Assessing Officer (AO) or not reported in audit under section 92E.	Effective from April 1, 2025, extend TPO's authority to include specified domestic transactions (SDTs) not referred by AO or not reported in audit under section 92E, enhancing scrutiny and compliance from assessment year 2025-26 onwards.

- **Removal of Restriction on deduction of interest expenses**

Section	Old	Amended Provision
94B	Limits the deduction of interest expenses on debts issued by non-resident associated enterprises to 30% of earnings before interest, taxes, depreciation, and amortisation (EBITDA) for Indian companies or permanent establishments of foreign companies in India, to prevent thin capitalisation. However, the above restriction does not apply to the above said entity engaged in the business of banking and insurance.	The said restriction also no longer applies to interest expense deductions for finance companies operating in International Financial Services Centres (IFSCs) under specified conditions and activities, effective from April 1, 2025, impacting assessment year 2025-26 onwards. The definition of "Finance Company" and "International Financial Services Centres (IFSCs)" has been inserted in Clause (iv) and (v) of sub-section 5.

H. Tax Deducted at Source(TDS)/Tax Collected at Source(TCS)

- Rates of Tax Deducted at Source / Tax Collected at Source has been changed under few sections.
- Section 206C of the Act mandates tax collection at source (TCS) for trading in items like alcoholic liquor, forest produce, scrap etc. Currently, there is no provision to allow a person other than the collectee, such as a parent, to claim this TCS credit. For instance, TCS collected on funds remitted for a minor under the Liberalized Remittance Scheme cannot be claimed by the parent. To address this, a new provision is proposed to let the Board set rules allowing TCS credit to persons other than the collectee, with safeguards ensuring it applies only when the minor's income is clubbed with the parent's under Section 64(1A). This change will be effective from January 1, 2025.

- Section 200A of the Act, which outlines the processing of tax deduction at source statements and correction statements, will be amended to include statements filed by parties other than the deductor, such as Form No. 26QF filed by exchanges. The Board will be empowered to create a scheme for processing these statements. This amendment will take effect from April 1, 2025.

❖ TAX DEDUCTED AT SOURCE

- Proposed changes in TDS aim to reduce rates to boost business ease and compliance. Certain sections like salary, digital assets, lottery winnings, property transfers, and payments to non-residents will not see rate cuts. Goal is to simplify while ensuring effective tax collection in targeted sectors.
- **Rationalisation of TDS rates is proposed as below.**

Section	Present TDS Rate	Proposed TDS Rate	With effect from
Section 194D: Payment of insurance commission (in case of person other than company)	5%	2%	1.4.2025
Section 194DA: Payment in respect of life insurance policy	5%	2%	1.10.2024
Section 194G: Commission etc on sale of lottery tickets	5%	2%	1.10.2024
Section 194H: Payment of commission or brokerage	5%	2%	1.10.2024
Section 194-IB: Payment of rent by certain individuals or HUF	5%	2%	1.10.2024
Section 194M: Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	1.10.2024
Section 194-O: Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	1.10.2024
Section 194F: Relating to payments on account of repurchase of units by Mutual Fund or Unit Trust of India	Proposed to be omitted		1.10.2024

➤ **Rates for deduction of income-tax at source during the financial year (FY) 2024-25 from certain incomes other than “Salaries”.**

- It is proposed that income-tax at source rates for capital gains earned by non-residents shall follow the rates specified in the table below:

Sr. No.	Income	For transfers taking place before 23rd day of July, 2024 / Rate of TDS	For transfers taking place on or after 23rd day of July, 2024 / Rate of TDS
1	Long-term capital gains referred to in section 115E	10%	12.5%
2	Long-term capital gains referred to in sub-clause (iii) of clause (c) of sub section (1) of section 112	10%	The clause is not applicable for transfers on or after 23rd July, 2024
3	Long-term capital gains referred to in section 112A exceeding one lakh twenty-five thousand rupees	10%	12.5%
4	Long-term capital gains [not being long term capital gains referred to in clauses (33) and (36) of section 10]	20%	12.5%
5	Short-term capital referred to in section 111A	15%	20%

➤ **Amendment of provisions of TDS on sale of immovable property.**

- Section 194-IA of the Income Tax Act requires tax to be deducted when paying for property transfers, except for agricultural land
 - **Tax Deduction Rule:** If you are paying for property, you need to deduct 1% of the payment or the stamp duty value, whichever is higher, as income tax.
 - **Exemption:** No tax deduction is required if both the payment and stamp duty value are less than fifty lakh rupees.
 - **Issue:** Some people think "consideration" means each buyer's payment, not the total for the property.
 - **Problem:** This leads to no tax deduction if a single buyer pays less than fifty lakh rupees, even if the property's total value is more.
 - **Solution:** The law will be clarified to say that for properties with multiple buyers or sellers, the consideration is the total paid by all buyers to all sellers.
 - **Start Date:** These changes will start on October 1, 2024, making sure tax rules are followed properly for property transactions involving many parties.

- **Amendment of provisions of Tax Deduction at source on Floating Rate Savings (Taxable) Bonds (FRSB) 2020.**
 - Section 193 of the Income Tax Act requires tax to be deducted from interest payments on certain securities paid to residents. The government has introduced new Floating Rate Savings (Taxable) Bonds (FRSB) 2020. Starting from October 1, 2024, if the interest paid on these bonds or specified government securities exceeds Rs. 10,000, tax will be deducted at the time of payment. This means that if you earn more than Rs. 10,000 in interest from these bonds or certain government securities, tax will be deducted from your interest payments beginning October 1, 2024.

- **Inclusion of taxes withheld outside India for purposes of calculating total Income.**
 - Section 198 of the Income Tax Act states that any sums deducted (tax deducted) under Chapter XVII-B should be considered as income received when computing an assessee's income.
 - There have been cases where taxpayers did not include taxes withheld outside India when calculating their total income. This led to underreporting because only their net income was declared for taxation, while they still claimed credit for foreign taxes withheld. This created a situation of double deduction.
 - To resolve this, an amendment to Section 198 is proposed. It will clarify that all sums deducted under Chapter XVII-B and income tax paid outside India, for which a taxpayer claims a credit against their tax liability under the Act, must be treated as income received for computing their total income.
 - This amendment is scheduled to come into effect from April 1, 2025.

- **Excluding sums paid under section 194J from section 194C (Payments to Contractors).**
 - Section 194C of the Income Tax Act requires TDS on payments to contractors, with rates varying based on the recipient. Section 194J covers TDS on fees for professional or technical services, with different rates depending on the type of payment.
 - Currently, there is confusion because some payments that should fall under section 194J are mistakenly subjected to TDS under section 194C. To clear this up, a proposed amendment specifies that payments under section 194J should not be considered as "**work**" under section 194C for TDS purposes.
 - This change aims to prevent incorrect TDS deductions and will start from October 1, 2024.

❖ **TAX COLLECTED AT SOURCE**

The amendments shall take place through notifications issued on later date:

Sr. No.	Section	Existing Provision	Proposed Provision	Impact
1	Section 201(3) of Act	Under Section 201(1) of the Act, there is a seven year limit for treating a person as an assessee in default if fails to deduct tax for whole or part of the tax where the payee is a resident in India. However, no time limit exists for defaults involving non-residents.	Section 206C(7A) states that no person shall be deemed an assessee in default for failure to deduct or collect tax after six years from the end of the financial year in which the payment or tax collection was due, or two years from the end of the financial year in which a correction statement is filed, whichever is later. These changes will take effect from April 1, 2025.	The time limit for treating any person to be assessee in default has been changed to six years.
2	Section 194Q of Act	Section 194Q mandates tax deduction at 0.1% on purchases over Rs.50 lakh, and Section 206C(1H) requires sellers to collect tax at the same rate on sales exceeding Rs.50 lakh.	Concerns have been raised about taxpayers facing liquidity issues, especially when they incur losses and face refund processes. To address these issues and ease compliance, it is proposed to: Amend Section 197 to include Section 194Q & 206C(9) to include Section 206C(1H) . These amendments will be effective from October 1, 2024.	Taxpayers experiencing losses can mitigate immediate cash flow impacts caused by mandatory TDS and TCS deductions/collections on high-value transactions; it will lead to liquidity relief.
3	Section 206C of Act	Section mandates TCS for transactions involving alcoholic liquor, forest produce, scrap, etc. Entities with exempt income, which are not required to file tax returns,	It is therefore proposed to provide that no collection shall be made or collect reduced tax for specified transactions, from such person, including institution,	With effect from 1 st Oct 2024, low or no tax shall be collected on specified transactions, as may be notified by the

		have faced difficulties due as tax is being collected on transactions carried out by them.	association or body or class of institutions, associations or bodies, as may be notified. The amendment will take effect from 1st day of October 2024.	Central Government in the Official Gazette, in this behalf.
4	Section 206C (3B) of Act	There is a time limit for submitting TDS/TCS statements, but no limit for correction statements, which can be revised indefinitely.	Now, the time limit for correction filing will be six years after the end of the financial year in which the original statement was filed. These changes will be effective from April 1, 2025.	Now, TDS/TCS corrections can be filed within six years as compared to earlier years where there was no time limit for filing correction statement.
5	Section 271H of Act	This section states that no penalty shall be levied if the person proves that after paying TDS/TCS along with fees and interest, the TDS/TCS statement is filed within one year from the prescribed due date.	The proposed amendment suggests that no penalty shall be levied if the statement is filed within one month from the prescribed due date, provided TDS/TCS, fees, and interest are paid. The proposed amendment is stated to come into effect from April 1, 2025.	For Instance: The due date for filing TDS/TCS return of FY 2023-2024 will be 31 st July 2024, hence if payment is made before 31-7-24 and assessee is unable to file the return on or before 31-7-24, then penalty u/s 271H shall not be levied if the return is filed on or before 31-8-24

➤ **Ease in claiming credit for TCS collected/TDS deducted by salaried employees.**

- Section 192 of the Income Tax Act may be amended to include Tax Collected at Source (TCS) and all Tax Deducted at Source (TDS) when calculating tax deductions on salary income. This proposed change aims to simplify compliance for employees, avoid cash flow issues, and reduce the need for refund claims. The amendment is expected to take effect from October 1, 2024.

I. Assessments, Appeals and Penalties

❖ Rationalization of Provisions Relating to Period of Limitation for Imposing Penalties

- **Section 275** of the Income-tax Act sets the period of limitation for imposing penalties. Penalties cannot be imposed if the relevant assessment order is under appeal before the Joint Commissioner (Appeals), the Commissioner (Appeals), or the Appellate Tribunal (ITAT).
- The **limitation period** is the later of:
 - The **end of the financial year** in which the penalty proceedings are completed.
 - **Six months from the end of the month** in which **the order of the appellate authority** is received by the Principal Chief Commissioner, Chief Commissioner, Principal Commissioner, or Commissioner
- In order to resolve the ambiguity in calculating the limitation period for imposing penalties. Section 275 will be amended to **remove the reference to the date of receipt of the appellate order** by the Principal Chief Commissioner or Chief Commissioner. This change aims to clarify and simplify the calculation of the limitation period for imposing penalties.
- The amendment will take effect from October 1, 2024.

❖ Rationalization of the time-limit for filing appeals to the Income Tax Appellate Tribunal

- **Section 253** of the Income-tax Act governs the filing of appeals to the ITAT. Appeals can be filed against orders from various tax authorities, including the Commissioner of Income-tax (Appeals) [CIT(Appeals)]. Sub-section (1) of section 253 lists the types of orders that can be appealed.
- Clause (a) of sub-section (1) will be amended to include references to section **158BFA**, allowing **appeals against interest and penalties on undisclosed income** for the block period after a search is initiated under section 132. This addresses the current gap where such penalties cannot be appealed.
- Currently, the time limit for appeals to be filed is, **within sixty days** from the **date the order** is communicated to the assessee or the Principal Commissioner or Commissioner of Income-tax. This will be amended to allow filing appeals within **two months from the end of the month in which the order is communicated**. This change aligns with the Faceless Appeal system, providing a more practical timeframe for filing appeals.

- The amendment will be effective from October 1, 2024

❖ **Amendments in sections 245Q and 245R related to Advance Rulings**

- Section 245Q(3) allowed applicants to withdraw applications **within 30 days of submission**. Applications pending before the now-defunct Authority for Advance Rulings (AAR) were transferred to the Board for Advance Rulings (BAR).
- Amend section 245Q to allow withdrawal of applications by October 31, 2024, for cases transferred from AAR to BAR where no order under sub-section (2) of section 245R has been passed.
- Provide that BAR can **reject these applications** as withdrawn by December 31, 2024, upon receiving a withdrawal request.
- These amendments will take effect from **October 1, 2024**.

❖ **Amendment of section 271FAA to comply with the Automatic Exchange of Information (AEOI) framework**

- Clarification that penalties under section 271FAA apply in the following circumstances:
 - Furnishing inaccurate information in the statement.
 - Failure to comply with due diligence requirements.
- **Section 273B to include section 271FAA**, providing that **no penalty will be imposed** if the assessee **proves there was a reasonable cause for such failure**.

❖ **Rationalization of provisions relating to assessment and reassessment under the Act**

Existing Provisions		New Provisions
<ul style="list-style-type: none"> ➤ Time limit for issuance of notice u/s 148A & 148 of I.T. Act,1961 as per provisions of Section 149 of I.T. Act,1961 until 31.08.2024 was as under:- 		<ul style="list-style-type: none"> ➤ Time limit for issuance of notice u/s 148A & 148 of I.T. Act,1961 as per provisions of Section 149 of I.T. Act,1961 from 01.09.2024 shall be as follows:-
Normal cases	3 years	
Other cases	10 years (subject to escapement of income exceeds Rs. 50,00,000 & other conditions as mentioned in section)	

	Normal cases	3 years (in exceptional circumstances notice can be issued if three years and three months have passed from the end of the relevant assessment year as mentioned in section.)
	Other cases	5 years (subject to escapement of income exceeds Rs. 50,00,000 & other conditions as mentioned in section)

➤ The amendment to section 152 of the Act states that if a notice under section 148 or an order under clause (d) of section 148A has been issued before September 1, 2024, any assessment, reassessment, or recomputation related to those cases will follow the rules outlined in sections 147 to 151 of the Act as they were before being changed by the Finance (No. 2) Act, 2024.

➤ These amendments will take effect from **01.09.2024**.

❖ **Adjustment of liability under Black Money Act, 2015 against seized assets as per provisions of section 132B of I.T. Act,1961.**

➤ **As per Existing Provision of Section 132B of I.T. Act,1961**

- The current Section 132B of the I.T. Act,1961 allows for the recovery of existing liabilities under various tax laws from seized assets. However, it does not explicitly include liabilities arising under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. **This omission means that such liabilities cannot be recovered from seized assets under Section 132 or 132B of I.T. Act,1961.**

➤ **Following amendments are proposed w.e.f. 01.10.2024**

- It is proposed to amend Section 132B of the Income-tax Act, 1961 to include liabilities arising from the Black Money Act, 2015. **Now it will enable authorities to recover liabilities related to undisclosed foreign income and assets from seized assets, aligning with the existing provisions for other tax liabilities.**

❖ **Amendment to include the reference of Black Money Act, 2015 for the purposes of obtaining a tax clearance certificate**

- No person who is domiciled in India, shall leave India, unless he obtains a certificate from the income-tax authorities stating that he has no liabilities under Income-tax Act, 1961, or the Wealth-tax Act, 1957 (27 of 1957), or the Gift-tax Act, 1958 (18 of 1958), or the Expenditure-tax Act, 1987 (35 of 1987), or he makes satisfactory arrangements for the payment of all or any of such taxes which are or may become payable by that person.
- Now it is proposed that even liabilities under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 mandates to obtain tax clearance certificate.
- This amendment will take effect from the 1st day of October, 2024.

❖ **Amendments in section 42 and 43 of the Black Money Act, 2015 relating to penalty for failure to disclose foreign income and asset in the ITR to resident other than not ordinarily resident in India**

- This provisions are applicable w.e.f. 01.10.2024

Existing Provisions	New Provisions
Flat Penalty of Rs. 10,00,000/- Exception: No penalty in respect of asset being one or more bank accounts having aggregate balance not exceeding Rs. 5,00,000/-	Flat Penalty of Rs. 10,00,000/- Exception: the provisions of the said sections shall not apply in respect of an asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed Rs. 20,00,000/-

❖ **Amendment of Section 24 of the Prohibition of Benami Property Transactions Act, 1988**

Particulars	Existing Provision	Proposed Provision
Time limit to furnish reply	No time limit to furnish a reply to the notice issued under sub-section (1) or beneficial owner to file submissions on copy of said notice given to him under sub-section (2).	It is proposed to o insert sub-section (2A) to provide a maximum time limit of 3 months from the end of the month in which notice is issued under sub-section (1) for the benamidar or the beneficial owner to file their explanations or submissions.

❖ **Direct Tax Vivaad se Vishwas Scheme, 2024**

- Following the success of the Vivaad Se Vishwas Act, 2020, and considering the growing number of appeals pending at the CIT(A) level, a new Direct Tax Vivad se Vishwas Scheme, 2024 is proposed. This aims to settle disputed issues and reduce litigation without significant cost to the government.

❖ **Introduction of block assessment provisions in cases of search under section 132 and requisition under section 132A of I.T. Act,1961**

Particulars	Remarks
For search initiated u/s 132, or books of accounts, any other documents or any assets requisitioned u/s 132A	On or after 01.09.2024
Introduction of Block period assessments	For 6 assessment years preceding the PY in

	which search was initiated & also for the period starting from 1 st April of previous year in which search was initiated.
Regular assessments ongoing	Shall stand abated
Tax rate for block period as per Section 113 of I.T.Act,1961	60% (presently no surcharge is proposed for income chargeable to tax for block period.)
Interest u/s 234A/234B/234C of I.T.Act,1961	No interest applicable on undisclosed income assessed or reassessed for the block period income offered @60%
Penalty u/s 270A	No penalty on undisclosed income assessed or reassessed for the block period. Subject to conditions being satisfied.
Time limit for completion of block assessments of searched cases of searched/other assessee	12 months from the end of month in which last of authorizations for search under section 132, or requisition under section 132A, was executed or made/ 12 months from the end of the month in which the notice under section 158BC in pursuance of section 158BD, was issued to such other person. However, an exclusion of nearly 6 months shall be available in respect of period from date of search to the date of handing over of seized material to the Assessing Officer.

J. Others Amendment

❖ **Discontinuation of the provisions allowing quoting of Aadhaar Enrolment ID in place of Aadhaar number**

Section	Old	Amended Provision
139AA	Individuals eligible to obtain Aadhaar numbers shall quote it in PAN applications and income tax returns from July 1, 2017. If an individual does not possess an Aadhaar number, they must provide the Enrolment ID from the Aadhaar application form	From October 1, 2024, individuals must provide their Aadhaar number instead of the Aadhaar Enrolment ID when applying for PAN or filing income tax returns, aiming to prevent duplication and misuse of PAN. Further, Individuals who obtained a PAN using Aadhaar Enrolment ID must provide their Aadhaar number by a specified deadline.

INDIRECT TAXES

A. GOODS AND SERVICES TAX

The amendment shall take place through notification issued on later date:

Sr. No.	Section	Existing Provision	Proposed Provision	Impact
1	9(1) CGST Act	A tax called the Central Goods and Services Tax (CGST) is levied on all intra-State goods and services except alcoholic liquor for human consumption. It's based on the value under Section 15, with a rate up to 20% as decided by the Government, and must be paid by the supplier.	A tax called the Central Goods and Services Tax (CGST) is levied on all intra-State goods and services except alcoholic liquor for human consumption and un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor, for human consumption. It's based on the value under Section 15, with a rate up to 20% as decided by the Government, and must be paid by the supplier.	GST was levied on un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption but now exempt from GST.
2	11A CGST Act	Section 11 of the law (clause 1) empowers the government, upon recommendations from the Council, to issue notifications exempting specified goods or services from tax, either wholly or partially, in the public interest. Clause 2 allows for special orders to exempt goods or services under exceptional circumstances, as specified in the order. Additionally, clause 3 permits the government to clarify the scope or applicability of these exemptions within one year of issuing notifications or orders.	Section 11A of the CGST Act allows the government, upon satisfying certain conditions, to waive the requirement to pay GST on goods or services where there was a widespread practice of not levying the tax or undercharging it. This applies if the government confirms that such practices existed and recommends, through an official notification, that the GST amount not levied or undercharged due to these practices does not need to be paid. The aim is to provide relief to taxpayers affected by prevalent industry practices regarding GST levies.	Together, these provisions allow the government to effectively manage tax exemptions in alignment with public interest and respond to unique circumstances where GST liabilities may have been impacted by industry practices. This helps in fostering compliance, supporting economic activities, and providing necessary relief to taxpayers affected by regulatory ambiguities or widespread practices.
3	13(3)(b)	The time of supply for	In Section 13 (3) (b) for the	Time of Supply in case

	CGST Act	services under reverse charge is determined as follows: it's either the date of payment or the date sixty days after the invoice issuance, whichever is earlier. If these cannot be determined, it defaults to the date in the recipient's books. For services from associated enterprises outside India, it's the earlier of the date in the recipient's books or the date of payment.	words "by the supplier:" the words "by the supplier, in cases where invoice is required to be issued by the supplier; shall be substituted Further in clause (b) following clause has been inserted, "the date of issue of invoice by the recipient, in cases where invoice is to be issued by the recipient". Also in the first proviso, after the words, brackets and letter "or clause (b)", the words, brackets and letter "or clause(c)" shall be inserted.	of Reverse Charge whichever is earlier The date of payment as entered in the books of account of the recipient or the date on which the payment is debited in his bank account, whichever is earlier; or The date immediately following sixty days from the date of issue of invoice or any other document, by whatever name called, in lieu thereof by the supplier: in cases where invoice is required to be issued by the supplier
4	16(5) CGST Act		Notwithstanding anything contained in sub-section (4), in respect of an invoice or debit note for supply of goods or services or both pertaining to the Financial Years 2017- 18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to the thirtieth day of November, 2021.	Following press release dt.22/6/24 on recommendation by 53 rd GST Council the Taxpayer can avail ITC for 2017-18, 2018-19, 2019-20 and 2020-21 if GSTR-3B is filed before 30 th November 2021.
	16(6) CGST Act		Where registration of a registered person is cancelled under section 29 and subsequently the cancellation of registration is revoked by any order, either under section 30 or pursuant to any order made by the Appellate Authority or the Appellate Tribunal or court and where availment of input tax credit in respect of an invoice or debit note was not restricted under sub-section (4) on the date of	If a business's GST registration is cancelled and later reinstated by order, they can claim input tax credit (ITC) for invoices or debit notes where ITC wasn't restricted during the cancellation. This can be claimed by filing a GST Return up to 30 th November after the financial year or till the date of filing the

			order of cancellation of registration, the said person shall be entitled to take the input tax credit in respect of such invoice or debit note for supply of goods or services or both, in a return under section 39,— (i) filed upto thirtieth day of November following the financial year to which such invoice or debit note pertains or furnishing of the relevant annual return, whichever is earlier; or (ii) for the period from the date of cancellation of registration or the effective date of cancellation of registration, as the case may be, till the date of order of revocation of cancellation of registration, where such return is filed within thirty days from the date of order of revocation of cancellation of registration, whichever is later.”	annual return, whichever is earlier or for the period from cancellation to revocation date, if filed within thirty days of revocation.
5	17(5) CGST Act	In section 17 of the Central Goods and Services Tax Act, sub-section (5) clause (i) any tax paid in accordance with the provisions of sections 74, 129 and 130.	In section 17 of the Central Goods and Services Tax Act, sub-section (5) clause (i) any tax paid in accordance with the provisions of section 74 in respect of any period upto Financial Year 2023-24.	Detention, seizure and release of goods and conveyances in transit & Confiscation of goods or conveyances and levy of penalty won't be considered in block credit
6	30(2) CGST Act	The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application: Provided that the application for revocation of cancellation of registration shall not be rejected unless the	The proper officer may, in such manner and within such period as may be prescribed, by order, either revoke cancellation of the registration or reject the application: Provided that the application for revocation of cancellation of registration shall not be rejected unless the applicant has been given an opportunity of being heard.	Additionally, the reinstatement of cancelled registration is subject to prescribed conditions and restrictions which shall be notified by the government in official gazette.

		applicant has been given an opportunity of being heard.	Provided further that such revocation of cancellation of registration shall be subject to such conditions and restrictions, as may be prescribed.	
7	31(3)(f) CGST Act	A registered person who is liable to pay tax under sub-section (3) or subsection (4) of section 9 shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;	A registered person who is liable to pay tax under sub-section (3) or subsection (4) of section 9 within the period as may be prescribed shall issue an invoice in respect of goods or services or both received by him from the supplier who is not registered on the date of receipt of goods or services or both;	Now the invoice should be issued in specific period. The specified period will be notified by the government in official gazette.
8	31(3)(g) CGST Act	A registered person who is liable to pay tax under sub-section (3) or subsection (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier.	A registered person who is liable to pay tax under sub-section (3) or subsection (4) of section 9 shall issue a payment voucher at the time of making payment to the supplier. Explanation– For the purposes of clause (f), the expression “supplier who is not registered” shall include the supplier who is registered solely for the purpose of deduction of tax under section 51.	The Registered Person should issue Invoices for the supplies received to him from Unregistered Supplier. From this Amendment the word supplier also includes the Persons who avail the Registration solely for the purpose of Tax collected at source
9	39(3) CGST Act	Section 39(3) of the GST law mandates that every registered person who is required to deduct tax at source under section 51 must electronically furnish a return for the month in which these deductions were made. This return must be filed within ten days after the end of that month, adhering to the form and manner prescribed by GST regulations.	The amendment changes section 39(3) to require every registered person who deducts tax at source under section 51 to electronically submit a return each month. This return must detail any deductions made during that month. Importantly, even if no deductions were made during a particular month, the registered person still needs to submit a return for that month.	The amended provision ensures that all registered persons liable to deduct tax at source must file a monthly return (even if NIL), promoting greater compliance with tax deduction obligations. By mandating electronic filing, the amendment streamlines the process and likely enhances efficiency in tax administration.

10	54 of CGST Act Refund of Tax	Subject to the provisions of sub-section (10), a registered person may claim refund of any unutilised input tax credit at the end of any tax period: “where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the Council:” has been omitted	Notwithstanding anything contained in this section, no refund under sub-section (5) or sub-section (6) shall be paid to an applicant, if the amount is less than one thousand rupees. (15)“Notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty” has been inserted.	As per the new wording inserted in Section 54 New Sub-Section (15) has been inserted stating that in case of Zero Rated supply, No Refund shall be allowed under Section 54 to any entity for Unutilized Input Tax Credit or for Integrated Tax paid, on account of zero rated supply of goods where such zero rated supply of goods is subjected to Export Duty.
11	70 (1A)	-	All persons summoned under sub-section (1) shall be bound to attend, either in person or by an authorised representative, as such officer may direct, and the person so appearing shall state the truth during examination or make statements or produce such documents and other things as may be required.	Henceforth, an author-ised representative may appear on behalf of the summoned person before the proper officer for complying with the summons issued.
12	73 (12)	-	The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.	This provision of Section 73 is applicable for proceedings upto FY 2023-24 only.
13	74 (12)	-	The provisions of this section shall be applicable for determination of tax pertaining to the period upto Financial Year 2023-24.	This provision of Section 74 is applicable for proceedings upto FY 2023-24 only.
14	74A	<i>Sec 73 (Determination of tax not paid or short paid or erroneously refunded</i>	<u>Sec 74A</u> (1) Where it appears to the	From FY 2024-25 onwards, penalty u/s 74A is to be imposed.

		<p><i>or input tax credit wrongly availed or utilised for any reason other than fraud or any willful-misstatement or suppression of facts</i>);</p> <p>(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder.</p> <p>(2) The proper officer shall issue the notice under subsection (1) at least three months prior to the time limit specified in subsection (10) for issuance of order.</p>	<p>proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder:</p> <p>Provided that no notice shall be issued, if the tax which has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised in a financial year is less than one thousand rupees.</p> <p>(2) The proper officer shall issue the notice under subsection (1) within forty-two months from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within forty-two months from the date of erroneous refund.</p>	<p>The amended Section specifies the following:</p> <p>(i) No Notices can be issued where <u>Tax Liability is less than Rs.1,000/-</u>.</p> <p>(ii) Time limit to issue Notice has been harmonized and changed in Section 74A as opposed to Section 73 and Section 74 as under:</p> <p>Sec.74A – 42 months from due date to furnish Annual Return for the FY to which the assessment pertains</p> <p>Sec.73 – 33 months from due date to furnish Annual Return for the FY to which the assessment pertains</p> <p>Sec.74 – 54 months from due date to furnish Annual Return for the FY to which the assessment pertains.</p> <p>(iii) Sec. 74A provides for penalty in cases where the payment of liability assessed has not been paid within a period of 30 days from the due date of payment of such tax as under:</p>
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		<p>(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.</p> <p>(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.</p> <p>(5) The person chargeable with tax may, before service of notice under subsection (1) or, as the case may be, the statement under sub-section (3), pay the amount of tax along with interest payable thereon under section 50 on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer</p>	<p>(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under subsection (1), on the person chargeable with tax.</p> <p>(4) The service of such statement shall be deemed to be service of notice on such person under sub-section (1), subject to the condition that the grounds relied upon for such tax periods other than those covered under sub-section (1) are the same as are mentioned in the earlier notice.</p> <p>(5) The penalty in case where any tax which has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised,—</p> <p>(i) for any reason, other than the reason of fraud or any wilful-misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of tax due from such person or ten thousand rupees, whichever is higher;</p> <p>(ii) for the reason of fraud or any wilful-misstatement or suppression of facts to evade</p>	<p>a) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax – 10% of tax due or Rs.10,000/-, whichever is higher</p> <p>b) for the reason of fraud or any wilful-misstatement or suppression of facts to evade tax – Equivalent to the Tax due</p> <p>(iv) Time limit to issue Order:</p> <p>a) Sec. 74A – Within 12 months from the date of issuance of Notice.</p> <p>Also, if the Proper Officer is not able to issue the Order within the above mentioned time period, the Commissioner or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax may extend the said period further by a maximum of 6 months. However, the reason for non-issuance needs to be mentioned in writing before the expiry of the specified period.</p> <p>b) Sec. 73 – 3 years</p>
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		<p>in writing of such payment.</p> <p>(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1) or, as the case may be, the statement under sub-section (3), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.</p> <p>(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.</p> <p>(8) Where any person chargeable with tax under sub-section (1) or sub-section (3) pays the said tax along with interest payable under section 50 within thirty days of issue of show cause notice, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.</p>	<p>tax shall be equivalent to the tax due from such person.</p> <p>(6) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.</p> <p>(7) The proper officer shall issue the order under subsection (6) within twelve months from the date of issuance of notice specified in sub-section (2):</p> <p>Provided that where the proper officer is not able to issue the order within the specified period, the Commissioner, or an officer authorised by the Commissioner senior in rank to the proper officer but not below the rank of Joint Commissioner of Central Tax, may, having regard to the reasons for delay in issuance of the order under sub-section (6), to be recorded in writing, before the expiry of the specified period, extend the said period further by a maximum of six months.</p> <p>(8) The person chargeable with tax where any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful misstatement or suppression of</p>	<p>from due date to furnish Annual Return for the FY to which the assessment pertains</p> <p>c) Sec. 74 - 5 years from due date to furnish Annual Return for the FY to which the assessment pertains.</p> <p>(v) Where the liability assessed in Notices and Orders (whether in cases of fraud, wilful misstatement, suppression of facts or in any other cases) has been paid within 60 days of issue of such Notice or Communicati-on of Order (as opposed to 30 days), no penalty shall attract.</p> <p>In addition to this, various sections under the CGST Act, 2017 is amended to bring it in lines with Section 73 or Section 74 and to enable Officer to impose penalty namely, Section 21, 35(6), 49(8), 50(1), 51(7), 61, 62, 63, 64, 65, 66, 75, 104 & 127 of the CGST Act, 2017.</p>
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		<p>(9) The proper officer shall, after considering the representation, if any, made by person chargeable with tax, determine the amount of tax, interest and a penalty equivalent to ten per cent. of tax or ten thousand rupees, whichever is higher, due from such person and issue an order.</p> <p>(10) The proper officer shall issue the order under sub-section (9) within three years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within three years from the date of erroneous refund.</p> <p>(11) Notwithstanding anything contained in sub-section (6) or sub-section (8), penalty under sub-section (9) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.</p> <p><u>Sec 74 (Determination of</u></p>	<p>facts to evade tax, may, —</p> <p>(i) before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information shall not serve any notice under sub-section (1) or the statement under sub-section (3), as the case may be, in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;</p> <p>(ii) pay the said tax along with interest payable under section 50 within sixty days of issue of show cause notice, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.</p> <p>(9) The person chargeable with tax, where any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, may,—</p> <p>(i) before service of notice under sub-section (1), pay the amount of tax along with</p>	
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		<p><u>tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful-misstatement or suppression of facts):</u></p> <p>(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.</p> <p>(2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.</p>	<p>interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment, and the proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder;</p> <p>(ii) pay the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within sixty days of issue of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;</p> <p>(iii) pay the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within sixty days of communication of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.</p> <p>(10) Where the proper officer is of the opinion that the amount paid under clause (i) of sub-section (8) or clause (i)</p>	
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		<p>(3) Where a notice has been issued for any period under sub-section (1), the proper officer may serve a statement, containing the details of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for such periods other than those covered under sub-section (1), on the person chargeable with tax.</p> <p>(4) The service of statement under sub-section (3) shall be deemed to be service of notice under sub-section (1) of section 73, subject to the condition that the grounds relied upon in the said statement, except the ground of fraud, or any wilful-misstatement or suppression of facts to evade tax, for periods other than those covered under subsection (1) are the same as are mentioned in the earlier notice.</p> <p>(5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the</p>	<p>of sub-section (9) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in subsection (1) in respect of such amount which falls short of the amount actually payable.</p> <p>(11) Notwithstanding anything contained in clause (i) or clause (ii) of sub-section (8), penalty under clause (i) of subsection (5) shall be payable where any amount of self-assessed tax or any amount collected as tax has not been paid within a period of thirty days from the due date of payment of such tax.</p> <p>(12) The provisions of this section shall be applicable for determination of tax pertaining to the Financial Year 2024-25 onwards.</p> <p>Explanation 1.—For the purposes of this section,—</p> <p>(i) the expression “all proceedings in respect of the said notice” shall not include proceedings under section 132;</p> <p>(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under this section, the proceedings against all the</p>	
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		<p>basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.</p> <p>(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.</p> <p>(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.</p> <p>(8) Where any person chargeable with tax under sub-section (1) pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be</p>	<p>persons liable to pay penalty under sections 122 and 125 are deemed to be concluded.</p> <p>Explanation 2.—For the purposes of this Act, the expression “suppression” shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.</p>	
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deemed to be concluded.

(9) The proper officer shall, after considering the representation, if any, made by the person chargeable with tax, determine the amount of tax, interest and penalty due from such person and issue an order.

(10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised relates to or within five years from the date of erroneous refund.

(11) Where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent. of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.

		<p>Explanation 1.- For the purposes of section 73 and this section,-</p> <p>(i) the expression "all proceedings in respect of the said notice" shall not include proceedings under section 132;</p> <p>(ii) where the notice under the same proceedings is issued to the main person liable to pay tax and some other persons, and such proceedings against the main person have been concluded under section 73 or section 74, the proceedings against all the persons liable to pay penalty under 1[sections 122 and 125] are deemed to be concluded.</p> <p>Explanation 2.- For the purposes of this Act, the expression "suppression" shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer.</p>		
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<p>15</p>	<p>Section 75 of Central Goods and Services Tax Act, 2017</p>	<p>(a) In sub section (1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74, as the case may be.</p> <p>(b) Addition to sub section (2)</p> <p>(c) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within three years as provided for in sub-section (10) of section 73 or within five years as provided for in sub-section (10) of section 74.</p>	<p>(a) In sub section (1) Where the service of notice or issuance of order is stayed by an order of a court or Appellate Tribunal, the period of such stay shall be excluded in computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74 or sub-sections (2) and (7) of section 74A, as the case may be.</p> <p>(b) (2A) Where any Appellate Authority or Appellate Tribunal or court concludes that the penalty under clause (ii) of sub-section (5) of section 74A is not sustainable for the reason that the charges of fraud or any wilful misstatement or suppression of facts to evade tax has not been established against the person to whom the notice was issued, the penalty shall be payable by such person, under clause (i) of sub-section (5) of section 74A.</p> <p>(c) The adjudication proceedings shall be deemed to be concluded, if the order is not issued within the period specified in sub-section (10) of section 73 or in sub-section (10) of section 74 or in sub-section (7) of section 74A.</p>
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<p>16</p>	<p>Section 104 of Central Goods and Services Tax Act, 2017</p>	<p>Advance ruling to be void in certain circumstances.-</p> <p>(1) Where the Authority or the Appellate Authority or the National Appellate Authority finds that advance ruling pronounced by it under sub-section (4) of section 98 or under sub-section (1) of section 101 2[or under section 101C] has been obtained by the applicant or the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant or the appellant as if such advance ruling had never been made:</p> <p>Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant or the appellant.</p> <p>Explanation.-The period beginning with the date of such advance ruling and ending with the date of</p>	<p>Advance ruling to be void in certain circumstances.-</p> <p>(1) Where the Authority or the Appellate Authority or the National Appellate Authority finds that advance ruling pronounced by it under sub-section (4) of section 98 or under sub-section (1) of section 101 2[or under section 101C] has been obtained by the applicant or the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant or the appellant as if such advance ruling had never been made:</p> <p>Provided that no order shall be passed under this sub-section unless an opportunity of being heard has been given to the applicant or the appellant.</p> <p>Explanation.-The period beginning with the date of such advance ruling and ending with the date of order under this sub-section shall be excluded while computing the period specified in sub-</p>	

		order under this sub-section shall be excluded while computing the period specified in sub-sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74.	sections (2) and (10) of section 73 or sub-sections (2) and (10) of section 74 or sub-sections (2) and (7) of section 74A	
17	Section 107 of Central Goods and Services Tax Act, 2017	(a) In sub section (6), (b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, 1[subject to a maximum of twenty-five crore rupees], in relation to which the appeal has been filed.	(a) In sub section (6), (b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, 1[subject to a maximum of twenty crore rupees], in relation to which the appeal has been filed.	(a) The part payment for appeal admission is 10% of disputed tax amount (subject to maximum of twenty crore rupees)
18	Section 109 of Central Goods and Services Tax Act, 2017	Constitution of Appellate Tribunal and Benches thereof - (1) The Government shall, on the recommendations of the Council, by notification, establish with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority. (5) The Principal Bench and the State Bench shall hear appeals against the orders passed by the Appellate Authority or the	Constitution of Appellate Tribunal and Benches thereof - (1) The Government shall, on the recommendations of the Council, by notification, establish with effect from such date as may be specified therein, an Appellate Tribunal known as the Goods and Services Tax Appellate Tribunal for hearing appeals against the orders passed by the Appellate Authority or the Revisional Authority or for conducting an examination or adjudicating the cases referred to in sub-section (2) of section 171, if so notified under the said section (5) The Principal Bench and the State Bench shall hear appeals against the orders passed by the Appellate Authority or the Revisional	Appeal can be filed against the order passed by authority formed by Government for examination of anti-profiting as per section 171(2)

		<p>Revisional Authority</p> <p>(6) The President shall, from time to time, by a general or special order, distribute the business of the Appellate Tribunal among the Benches and may transfer cases from one Bench to another.</p>	<p>Authority, provided further that the matters referred to in subsection (2) of section 171 shall be examined or adjudicated only by the Principal Bench, provided also that the Government may, on the recommendation -ns of the Council, notify other cases or</p> <p>class of cases which shall be heard only by the Principal Bench.</p> <p>(6) Subject to the provisions of subsection (5), the President shall, from time to time, by a general or special order, distribute the business of the Appellate Tribunal among the Benches and may transfer cases from one Bench to another.</p>	
19	112(1)	<p>Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal.</p>	<p>Any person aggrieved by an order passed against him under section 107 or section 108 of this Act or the State Goods and Services Tax Act or the Union Territory Goods and Services Tax Act may appeal to the Appellate Tribunal against such order within three months from the date on which the order sought to be appealed against is communicated to the person preferring the appeal or the date, as may be notified by the Government, on the recommendations of the Council, for filing appeal before the Appellate Tribunal under this Act, whichever is later.</p>	<p>Appeal to the Appellate Tribunal to filed by aggrieved person against order u/s 107 and 108 to be made within:</p> <p>3 months from the date of order; or</p> <p>Date notified by Government on recommendation of GST Council.</p> <p>whichever is later</p>

	112(3)	The Commissioner may order, direct any officer subordinate to apply to the Appellate Tribunal within six months from the date on which the said order has been passed for determination of such points arising out of the said order as may be specified by the Commissioner in his order.	The Commissioner may order, direct any officer subordinate to apply to the Appellate Tribunal within six months from the date on which the said order has been passed or the date, as may be notified by the Government, on the recommendations of the Council, whichever is later for determination of such points arising out of the said order as may be specified by the Commissioner in his order.	Application to the Appellate Tribunal filed by department may be made within: 6 months from the date of order; or Date notified by Government on recommendation of GST Council. whichever is later
	112(6)	The Appellate Tribunal may admit an appeal within three months after the expiry of the period referred to in sub-section (1), or permit the filing of a memorandum of cross-objections within forty-five days after the expiry of the period referred to in sub-section (5) if it is satisfied that there was sufficient cause for not presenting it within that period.	The Appellate Tribunal may admit an appeal within three months after the expiry of the period referred to in sub-section (1) or permit the filing of an application within three months after the expiry of the period referred to in sub-section (3) , or permit the filing of a memorandum of cross-objections within forty-five days after the expiry of the period referred to in sub-section (5) if it is satisfied that there was sufficient cause for not presenting it within that period.	Appeal to be admitted by the Appellate Tribunal within: 3 months of expiry of Appeal period; or Permit filing of application within 3 months of expiry of said period; or Permit filing of memorandum of cross-objections within 45 days of expiry of said period.
	112(8)	No appeal shall be filed under sub-section (1), unless the appellant has paid- (b) a sum equal to twenty per cent of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, [subject to a maximum of fifty crore rupees], in	No appeal shall be filed under sub-section (1), unless the appellant has paid- (b) a sum equal to ten per cent of the remaining amount of tax in dispute, in addition to the amount paid under sub-section (6) of section 107, arising from the said order, [subject to a maximum of twenty crore rupees], in relation to which the appeal has been filed.	The part payment of tax in dispute is reduced from 20% to 10% of tax amount in dispute and the maximum limit is also reduced from 50 crore to 20 crore in relation to the appeal filed.

		relation to which the appeal has been filed.		
20	122	<p>(1B) Any electronic commerce operator who—</p> <p>(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;</p> <p>(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or</p> <p>(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher</p>	<p>(1B) Any electronic commerce operator who is liable to collect tax at source under section 52—</p> <p>(i) allows a supply of goods or services or both through it by an unregistered person other than a person exempted from registration by a notification issued under this Act to make such supply;</p> <p>(ii) allows an inter-State supply of goods or services or both through it by a person who is not eligible to make such inter-State supply; or</p> <p>(iii) fails to furnish the correct details in the statement to be furnished under sub-section (4) of section 52 of any outward supply of goods effected through it by a person exempted from obtaining registration under this Act, shall be liable to pay a penalty of ten thousand rupees, or an amount equivalent to the amount of tax involved had such supply been made by a registered person other than a person paying tax under section 10, whichever is higher</p>	Only those electronic commerce operators who are liable to collect TCS u/s 52 and engage in supply are liable to offences and penalties u/s 122(1B).
21	127	Where the proper officer is of the view that a person is liable to a penalty and the	Where the proper officer is of the view that a person is liable to a penalty and the same is not	

		same is not covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.	covered under any proceedings under section 62 or section 63 or section 64 or section 73 or section 74 or section 74A or section 129 or section 130, he may issue an order levying such penalty after giving a reasonable opportunity of being heard to such person.	
22	128A	-	<p>(1) Notwithstanding anything to the contrary contained in this Act, where any amount of tax is payable by a person chargeable with tax in accordance with—</p> <p>(a) a notice issued under sub-section (1) of section 73 or a statement issued under sub-section (3) of section 73, and where no order under sub-section (9) of section 73 has been issued; or</p> <p>(b) an order passed under sub-section (9) of section 73, and where no order under sub-section (11) of section 107 or sub-section (1) of section 108 has been passed; or</p> <p>(c) an order passed under sub-section (11) of section 107 or sub-section (1) of section 108, and where no order under sub-section (1) of section 113 has been passed, pertaining to the period from 1st July, 2017 to 31st March, 2020, or a part thereof, and the said person pays the full amount of tax payable as per the notice or statement or the order referred to in clause (a), clause (b) or clause (c), as the case may be,</p>	<p>Government has proposed the Amnesty Scheme for tax payable as per notice or order issued u/s 73 and order in Appellant Authority for Sec 74(1) subject to payment of full tax as per notice or order.</p> <p>The said provision is applicable for FY 2017-18 to 2019-20. The due date procedure of amount to be paid is yet to be notified by the Government.</p>

			<p>on or before the date, as may be notified by the Government on the recommendations of the Council, no interest under section 50 and penalty under this Act, shall be payable and all the proceedings in respect of the said notice or order or statement, as the case may be, shall be deemed to be concluded, subject to such conditions as may be prescribed:</p> <p>Provided that where a notice has been issued under subsection (1) of section 74, and an order is passed or required to be passed by the proper officer in pursuance of the direction of the Appellate Authority or Appellate Tribunal or a court in accordance with the provisions of sub-section (2) of section 75, the said notice or order shall be considered to be a notice or order, as the case may be, referred to in clause</p> <p>(a) or clause (b) of this sub-section:</p> <p>Provided further that the conclusion of the proceedings under this sub-section, in cases where an application is filed under sub-section (3) of section 107 or under sub-section (3) of section 112 or an appeal is filed by an officer of central tax under sub-section (1) of section 117 or under sub-section (1) of section 118 or where any proceedings are initiated under sub-section (1) of section 108, against an</p>	
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			<p>order referred to in clause (b) or clause (c) or against the directions of the Appellate Authority or the Appellate Tribunal or the court referred to in the first proviso, shall be subject to the condition that the said person pays the additional amount of tax payable, if any, in accordance with the order of the Appellate Authority or the Appellate Tribunal or the court or the Revisional Authority, as the case may be, within three months from the date of the said order:</p> <p>Provided also that where such interest and penalty has already been paid, no refund of the same shall be available.</p> <p>(2) Nothing contained in sub-section (1) shall be applicable in respect of any amount payable by the person on account of erroneous refund.</p> <p>(3) Nothing contained in sub-section (1) shall be applicable in respect of cases where an appeal or writ petition filed by the said person is pending before Appellate Authority or Appellate Tribunal or a court, as the case may be, and has not been withdrawn by the said person on or before the date notified under sub-section (1).</p> <p>(4) Notwithstanding anything contained in this Act, where any amount specified under sub-section (1) has been paid and the proceedings are</p>	
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			deemed to be concluded under the said sub-section, no appeal under sub-section (1) of section 107 or sub-section (1) of section 112 shall lie against an order referred to in clause (b) or clause (c) of sub-section (1), as the case may be.”	
23	SEC 140 SUB SEC(7)	Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as 7[credit under this Act, within such time and in such manner as may be prescribed, even if] the invoices relating to such services are received on or after the appointed day	Notwithstanding anything to the contrary contained in this Act, the input tax credit on account of any services received prior to the appointed day by an Input Service Distributor shall be eligible for distribution as 7[credit under this Act, within such time and in such manner as may be prescribed, whether] the invoices relating to such services are received prior to, on or after, the appointed day.	Input Tax Credit in case of ISD was not available in case if invoice was raised prior to GST era; with the amendment, even the invoice raised prior to GST shall be eligible for transitional credit.
24	SEC 171 SUB SEC (2)	The Central Government may, on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.	The Central Government may, on recommendations of the Council, by notification, constitute an Authority, or empower an existing Authority constituted under any law for the time being in force, to examine whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him. ‘Provided that the Government may by notification, on the recommendations of the	The Government may specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him. The Government shall do so on the recommendations of the council.

			<p>Council, specify the date from which the said Authority shall not accept any request for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.</p> <p>Explanation. 1—For the purposes of this sub-section, “request for examination” shall mean the written application filed by an applicant requesting for examination as to whether input tax credits availed by any registered person or the reduction in the tax rate have actually resulted in a commensurate reduction in the price of the goods or services or both supplied by him.’;</p> <p>Explanation 2.—For the purposes of this section, the expression “Authority” shall include the “Appellate Tribunal</p>	
<p>25</p>	<p>SCHED ULE III</p>	<p>Activities or transactions which shall be treated neither as a supply of goods nor a supply of services:</p> <p>1. Services by an employee to the employer in the course of or in relation to his</p>	<p>Activities or transactions which shall be treated neither as a supply of goods nor a supply of services:</p> <p>1. Services by an employee to the employer in the course of or in relation to his employment.</p> <p>2. Services by any court or</p>	<p>The activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer to the insured in coinsurance agreements, subject to</p>

		<p>employment.</p> <p>2. Services by any court or Tribunal established under any law for the time being in force.</p> <p>3. (a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;</p> <p>(b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or</p> <p>(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.</p> <p>4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.</p> <p>5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.</p> <p>6. Actionable claims, other than 3[Specified actionable claims].</p>	<p>Tribunal established under any law for the time being in force.</p> <p>3. (a) the functions performed by the Members of Parliament, Members of State Legislature, Members of Panchayats, Members of Municipalities and Members of other local authorities;</p> <p>(b) the duties performed by any person who holds any post in pursuance of the provisions of the Constitution in that capacity; or</p> <p>(c) the duties performed by any person as a Chairperson or a Member or a Director in a body established by the Central Government or a State Government or local authority and who is not deemed as an employee before the commencement of this clause.</p> <p>4. Services of funeral, burial, crematorium or mortuary including transportation of the deceased.</p> <p>5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.</p> <p>6. Actionable claims, other than 3[Specified actionable claims].</p> <p>*7. 1[Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India.</p> <p>*8. (a) Supply of warehoused goods to any person before</p>	<p>the condition that the lead insurer pays the central tax, the State tax, the Union territory tax and the integrated tax on the entire amount of premium paid by the insured and the Services by insurer to the reinsurer for which ceding commission or the reinsurance commission is deducted from reinsurance premium paid by the insurer to the reinsurer, subject to the condition that the central tax, the State tax, the Union territory tax and the integrated tax is paid by the reinsurer on the gross reinsurance premium payable by the insurer to the reinsurer, inclusive of the said ceding commission or the reinsurance commission shall be treated neither as a supply of goods nor a supply of services.</p> <p>No refund shall be made of all the tax paid or the input tax credit reversed, which would not have been so paid, or not reversed.</p>
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			<p>Court, High Court and Supreme Court.</p> <p>*1[Explanation 2.- For the purposes of paragraph 8, the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962).]</p>	
26	5(1) in IGST ACT, 2017	<p>(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty percent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person</p> <p>In Inter State supply levied of tax on alcohol liquor for Human consumption rate should not exceed 40% as per Government in IGST ACT 2017</p>	<p>In the IGST Act, 2017 (hereinafter referred as the IGST Act), in section 7, in sub-section (1), after the words "alcoholic liquor for human consumption", the words "and un-denatured extra neutral alcohol or rectified spirit which 14 of 2017. is used for manufacture of alcoholic liquor, for human consumption" shall be inserted</p>	<p>Alcoholic liquor for human consumption and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption, both are exempt under IGST Act, 2017 previously it was only alcoholic liquor</p>
27	6(A) in IGST ACT, 2017	Newly Inserted	<p>After section 8 of the Union Territory Goods and Services Tax Act, the following section shall be inserted, namely: —</p> <p>“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—</p>	<p>Government had power to exempt certain goods or services from tax. But now onwards Government has power to declare certain supply under non-levy</p>

			<p>(a) a practice was, or is, generally prevalent regarding levy of Union territory tax (including non-levy thereof) on any supply of goods or services or both; and (b) such supplies were, or are, liable to—</p> <p>– (i) Union territory tax, in cases where according to the said practice, Union territory tax was not, or is not being, levied; or (ii) a higher amount of Union territory tax than what was, or is being, levied, in accordance with the said practice, the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the Union territory tax payable on such supplies, or, as the case may be, the Union territory tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the Union territory tax was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”</p>	<p>or short levy of tax.</p>
28	16 (4) of IGST Act, 2017	<p>The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-</p> <p>(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;</p>	<p>(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-</p> <p>(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid in accordance with the provisions of section 54 of the</p>	<p>Sec amended to bring in lines with sec 54 of CGST ACT which states the refund provisions</p>

		(ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.]	Central Goods and Services Tax Act or the rules made thereunder (ii) a class of goods or services or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder	
	16 (5) of IGST Act, 2017	-	Notwithstanding anything contained in subsections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.	Refund of unutilized ITC cannot be claimed where export duty is payable on exports made.
29	20 in IGST ACT, 2017 Proviso 5	Provided that where the appeal is to be filed before the Appellate Authority or the Appellate Tribunal, the maximum amount payable shall be fifty crore rupees and one hundred crore rupees respectively.	Provided also that a maximum amount of forty crore rupees shall be payable for each appeal to be filed before the Appellate Authority or the Appellate Tribunal	A.Part payment in case of Appeal to a Appellate Authority is minimum of tax 10% or 40 Crores (previously 50 Crores) B. Appellate Tribunal min of 10% of tax or 40Crores (Previously 100 Crores)
30	7(1) of UTGST Act 2017	(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Union territory tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section	In the Union Territory Goods and Services Tax Act, 2017 (hereinafter referred as the Union Territory Goods and Services Tax Act), in section 7, in sub-section (1), after the words “alcoholic liquor for human consumption”, the words “and un-denatured extra neutral alcohol or rectified spirit which 14 of 2017. is	Alcoholic liquor for human consumption and un-denatured extra neutral alcohol or rectified spirit which is used for manufacture of alcoholic liquor, for human consumption, both are exempt under UTGST Act, 2017 previously it was only

		15 of the Central Goods and Services Tax Act and at such rates, not exceeding twenty percent., as may be notified by the Central Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.	used for manufacture of alcoholic liquor, for human consumption” shall be inserted.	alcoholic liquor.
31	8A of UTGST Act,2017	Newly Inserted	<p>After section 8 of the Union Territory Goods and Services Tax Act, the following section shall be inserted, namely: —</p> <p>“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—</p> <p>(a) a practice was, or is, generally prevalent regarding levy of Union territory tax (including non-levy thereof) on any supply of goods or services or both; and (b) such supplies were, or are, liable to—</p> <p>– (i) Union territory tax, in cases where according to the said practice, Union territory tax was not, or is not being, levied; or (ii) a higher amount of Union territory tax than what was, or is being, levied, in accordance with the said practice, the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the Union territory tax payable on such supplies, or, as the case may be, the Union territory tax in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on</p>	Government had power to exempt certain goods or services from tax. But now onwards Government has power to declare certain supply under non-levy or short levy of tax.

			which the Union territory tax was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”	
32	8A GST (Compensation to States) Act,2017	Newly Inserted	<p>In the Goods and Services Tax (Compensation to States) Act, 2017, after section 8, the following section shall be inserted, namely: —</p> <p>“8A. Notwithstanding anything contained in this Act, if the Government is satisfied that—</p> <p>(a) a practice was, or is, generally prevalent regarding levy of cess (including non-levy thereof) on any supply of goods or services or both; and</p> <p>(b) such supplies were, or are, liable to, – (i) cess, in cases where according to the said practice, cess was not, or is not being, levied; or (ii) a higher amount of cess than what was, or is being, levied, in accordance with the said practice, the Government may, on the recommendation of the Council, by notification in the Official Gazette, direct that the whole of the cess payable on such supplies, or, as the case may be, the cess in excess of that payable on such supplies, but for the said practice, shall not be required to be paid in respect of the supplies on which the cess was not, or is not being, levied, or was, or is being, short-levied, in accordance with the said practice.”</p>	Government had power to exempt certain goods or services from tax. But now onwards Government has power to declare certain supply under non-levy or short levy of tax.

B. CUSTOMS**AMENDMENTS TO THE CUSTOMS TARIFF ACT, 1975**

S. No.	Amendment to section	Clause of the Finance (No. 2) Bill, 2024
1.	Section 6 of the Customs Tariff Act, 1975 which provided for levy of protective duties in certain cases by the Central Government on the recommendations of the Tariff Commission is being omitted, as the Tariff Commission has been wound up by resolution dated 1 st June 2022 by the Government of India. This change will come into effect from the date of enactment of the Finance (No. 2) Bill, 2024	[106]

OTHER MISCELLANEOUS AMENDMENTS**Validation of notifications**

S. No.	Amendment	Clause of the Finance (No. 2) Bill, 2024
1.	Notification No. 37/2023- Customs dated 10.5.23 is being validated for the period from 1st April, 2023 up to and inclusive of 10th May, 2023 to provide exemption from basic customs duty and AIDC on imports of crude soyabean oil and crude sunflower seed oil subject to availability of unutilized quota in TRQ authorization for FY 2022-23 allotted by DGFT and Bill of lading issued on or before 31st March, 2023.	[105]
2.	Based on the recommendation of the GST Council in its 53rd meeting, GST Compensation Cess is being exempted with effect from 1st July, 2017 on imports in SEZ by SEZ units or developers for authorized operations.	[104]

Amendment of Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995

The Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995 have been amended to insert a provision for New Shipper Review. This will be effective from 24.7.2024.

Other notification changes

These changes will be effective from 24.7.2024

S. No.	Notification No.	Subject
1.	38/2024- Customs dated 23.07.2024	Currently, articles of foreign origin can be imported into India for repairs subject to their re-exportation within six months extendable to 1 year. The duration for export in the case of aircraft and vessels imported for maintenance, repair and overhauling has been increased from 6 months to 1 year, further extendable by 1 year.
2.	39/2024- Customs dated 23.07.2024	The time-period of duty-free re-import of goods (other than those under export by promotion schemes) exported out from India under warranty has been increased from 3 years to 5 years, further extendable 2 years.
3.	31/2024- Customs dated 23.07.2024	The India-UAE CEPA Tariff notification is being amended as consequential changes in duty rates on precious metals.

***Amendments to the first schedule to the customs tariff act, 1975**

AMENDMENTS					
Tariff Rate Changes					
A.	Increase in Tariff rate (to be effective from 24.07.2024) * [Clause [107(a)] of the Finance (No.2) Bill, 2024] Will come into effect immediately through a declaration under the Provisional Collection of Taxes Act,2023			Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To	
		PLASTIC			
1.	3920, 3921	Poly vinyl chloride (PVC) flex films (also known as PVC flex banners or PVC flex sheets) (The currently applicable BCD on all other goods falling under heading 3920 and 3921 shall be maintained by suitable amendment	10%	25%	

		in the relevant notification(s))		
		CONSUMER GOODS		
2.	6601 10 00	Garden umbrellas	20%	20% or Rs.60 per piece whichever is higher
		CHEMICALS		
3.	9802 00 00	Laboratory chemicals (Heading 9802 covers all chemicals, organic or inorganic, whether or not chemically defined, imported in packing's not exceeding 500 grams or 500 milliliters and with reference to the purity, markings or other features meant for use solely as laboratory chemicals)	10%	150%
B.	Tariff rate changes (without change in effective rate of duty) to be effective from 01.10.2024 [Clause [107(b)] of the Finance (No. 2) Bill, 2024] Note: The currently applicable rate of Basic Customs Duty on these commodities shall be maintained by suitable amendment in the relevant notification(s).		Rate of Duty	
S. No.	Heading, sub-heading tariff item	Commodity	From	To
1.	2008 19 20	Other roasted nuts and seeds, including such arecanuts	30%	150%
2.	2008 19 30	Other nuts, otherwise prepared or preserved, including such arecanuts	30%	150%
C.	Amendment in tariff entries		Clause of the Finance (No.2) Bill,2024	
1.	The First Schedule to the Customs Tariff Act,1975 is also being amended to modify the tariff entries with effect from 1st October, 2024		[107(b)]	

***Other proposals involving changes in basic customs duty rates in notifications**

A. Changes in Basic Customs Duty (to be effective from 24.07.2024)		Rates of Duty		
S. No.	Chapter, Heading, sub-heading, tariff item	Commodity	From	To
I.		Agricultural Products		
1.	1207 99 90	Shea nuts	30%	15%
II.		Aquafarming & Marine Exports		
1.	1504 20	Fish lipid oil for use in manufacture of aquatic feed	15%	Nil
2.	1504 20	Crude fish oil for use in manufacture of aquatic feed	30%	Nil
3.	2309 90 31	Prawn and shrimps feed	15%	5%
4.	2309 90 39	Fish feed	15%	5%
III.		Critical Minerals		
1.	2506	Quartz (other than natural sands); quartzite	5%	2.5%
2.	2603 00 00	Copper ores and concentrates	2.5%	Nil
3.	2804 61 00	Silicon, containing by weight not less than 99.99% of silicon	5%	Nil
4.	2804 69 00	Other silicon	5%	Nil
5.	2811 22 00	Silicon dioxide	7.5%	2.5%
6.	2825 20 00	Lithium oxide and hydroxide	7.5%	Nil
7.	2836 91 00	Lithium carbonates	7.5%	Nil
8.	2846	Compounds, inorganic or organic of rare earth metals	7.5%	Nil
9.	8001	Unwrought Tin	5%	Nil
10.	8105 20 20	Cobalt, unwrought	5%	Nil
11.	8106 10 10	Bismuth, unwrought	2.5%	Nil
IV.		Steel Sector		
1.	7202 60 00	Ferro Nickel	2.5%	Nil
2.	7204	Ferrous Scrap	Nil (till 30.09.2024)	Nil (till 31.03.26)
3.	7225	Certain specified raw materials for manufacture of CRGO steel	Nil (till 30.09.2024)	Nil (till 31.03.26)

V.		Copper		
1.	7402 00 10	Blister Copper	5%	Nil
VI.		Chemicals and Plastics		
1.	3102 30 00	Ammonium Nitrate, whether or not in aqueous solution	7.5%	10%
2.	3920 (other than 3920 99 99) or 3921	All goods other than Poly vinyl chloride (PVC) flex films/flex banner	25% (with effect from 24.07.2024)	10%
3.	3920 99 99	All goods other than Poly vinyl chloride (PVC) flex films/flex banner	25% (with effect from 24.07.2024)	15%
VII.		Textile and Leather Sector		
1.	2929 10 90	Methylene Diphenyl Di-isocyanate (MDI) for use in the manufacture of Spandex Yarn	7.5%	5% Subject to IGCR conditions
2.	41	Wet white, Crust and finished leather for manufacture of textile or leather garments, leather /synthetic footwear or other leather products, for export	10%	Nil
3.	38,48 or any other Chapter	Certain additional accessories and embellishments for manufacture of textile or leather garments, leather/synthetic footwear or other leather products, for export	As applicable	Nil
4.	0505 10	Real Down Filling Material from Duck or Goose for use in the manufacture of textile or leather garments for export	30%	10%
VIII.		Cancer Drugs		
1.	30	(i) Trastuzumab Deruxtecan, (ii) Osimertinib, (iii) Durvalumab	10%	Nil
IX.		Precious Metals		
1.	7108	Gold bar	15%	6%
2.	7108	Gold dore	14.35%	5.35%
3.	7106	Silver bar	15%	6%
4.	7106	Silver dore	14.35%	5.35%

5.	7110	Platinum, Palladium, Osmium, Ruthenium, Iridium	15.4%	6.4%
6.	7118	Coins of precious metals	15%	6%
7.	7113	Gold/Silver findings	15%	6%
8.	71	Platinum and Palladium used in the manufacture of noble metal solutions, noble metal compounds and catalytic convertors	7.5%	5%
9.	84	Bushings made of platinum and rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India	7.5%	5%
X.		Medical Equipment		
1.	39	All types of polyethylene for use in manufacture of orthopedic implants falling under sub-heading 9021 10	As applicable	Nil
2.	39, 72, 81	Special grade stainless steel, Titanium alloys, Cobalt-chrome alloys, and All types of polyethylene for use in manufacture of other artificial parts of the body falling under sub-heading 9021 31 or 9021 39	As applicable	Nil
3.	9022 30 00	X-ray tubes for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use	15%	5% (till 31 st March 25) 7.5% (w.e.f 1 st April, 25 to 31 st March 26) 10% (w.e.f 1 st April, 26)
4.	9022 90 90	Flat panel detectors (including scintillators) for use in manufacture of X-ray machines for medical, surgical, dental or veterinary use	15%	5% (till 31 st March 25) 7.5% (w.e.f 1 st April, 25 to 31 st March 26) 10% (w.e.f 1 st April, 26)
XI.		IT and Electronics Sector		

1.	8517 13 00, 8517 14 00	Cellular mobile phone	20%	15%
2.	8504 40	Charger/Adapter of cellular mobile phone	20%	15%
3.	8517 79 10	Printed Circuit Board Assembly (PCBA) of cellular mobile phone	20%	15%
4.	28, 29, 38	Specified parts for use in manufacture of connectors	5%/7.5%	Nil
5.	74	Oxygen Free Copper for use in manufacture of Resistors	5%	Nil
6.	40	Specified die-cut parts for use in manufacture of cellular mobile phones	As applicable	Nil
7.	40, 70, 76	Specified mechanics for use in manufacture of cellular mobile phones	As applicable	Nil
8.	8517 79 10	Printed Circuit Board Assembly (PCBA) of specified telecom equipment	10%	15%
XII.		Renewable Energy Sector		
1.	84, 85, or any other chapter	Specified capital goods for use in manufacture of solar cells or solar modules, and parts for manufacture of such capital goods	7.5%	Nil
2.	7007	Solar glass for manufacture of solar cells or solar modules	Nil	10%(w.e.f. 1.10.2024)
3.	74	Tinned copper interconnect for manufacture of solar cells or solar modules	Nil	5%(w.e.f 1.10.20 24)
XIII.		Shipping		
1.	Any Chapter	Components and consumables for use in manufacture of specified vessels	As applicable	Nil
2.	Any Chapter	Technical documentation and spare parts for construction of warships	As applicable	Nil
XIV.		Capital goods		
1.	Any Chapter	Goods under S. No. 404 of Notification No. 50/2017 Customs, used for petroleum exploration operations	As applicable	Nil
B.	Changes in Export Duty (To be effective from 24.7.2024) Effective export duty on raw skins, hides & leather is being simplified and rationalized. The changes are as follows -		Rate of Duty	

S. No.	Chapter or Heading	Commodity	From	To
1.	4101 to 4103	Raw Hides & skins, all sorts (other than buffalo)	40%	40%
2.	4101	Raw Hides & skins of buffalo	30%	30%
3.	4104 to 4106	Tanned or crust hides of skins, whether or not split, but not further prepared	40%	20%
4.	4104 to 4106	E.I. tanned leather	Nil	Nil
5.	41	Finished leather as defined by DGFT finished leather norms	Nil	Nil
6.	4301	Raw fur skins	60%/10%	40%
7.	4302	Tanned or dressed furskin	60%	20%

Review of customs duty concessions/ exemptions:

Review of conditional exemption rates of BCD prescribed in Notification no. 50/2017-Customs dated 30.6.2017:

The BCD exemption for the goods covered under following serial numbers of the notification are being extended from 31st March 2024 to 31st March, 2026 unless specified otherwise.

Review of exemptions prescribed by other notifications:

(a) The BCD exemption for the goods covered under the following notifications are being extended upto 31st March, 2026.

S. No.	Notification No.	Brief Description
1.	30/2017-Customs dated 30 June 2017	Exemption to motion picture, music, gaming software for use in gaming console printed or recorded on media
2.	05/2017-Customs dated 2 nd February 2017	Exemption to machinery, components for setting up fuel cell based on waste to energy
3.	26/2011-Customs dated 1 st March 2011	Exemption to work of art, antiques in museum or art gallery
4.	248/1976-Customs dated 2 nd August 1976	Exemption to precious stones imported by posts on 'approval or return' basis
5.	24/2001-Customs dated 1 st March 2001	Exemption to copper cathodes, wire bars and wire rods produced out of copper reverts
6.	25/2001-Customs dated 1 st March 2001	Exemption on gold and silver produced out of copper anode slime which were exported out of India for toll smelting and processing

Note: *Description of entries is indicative. Notification may be referred to for complete description.*

(b) The BCD exemption for the goods covered under the following notifications are being extended upto 31st March, 2029.

S. No.	Notification No.	Brief Description
1.	16/1965-Customs dated 23 rd January 1965	Exemption to goods exported to foreign countries for display in show-rooms of Govt of India
2.	80/1970-Customs 29 th August 1970	Goods supplied freely under warranty as replacement for defective ones in lieu of earlier imported goods.
3.	207/89-Customs dated 17 th July 1989	Foodstuffs and provisions (excluding fruit products, tobacco, alcohol) by foreigners
4.	147/94-Customs dated 13 th July 1994	Firearms and ammunition when imported for use by a renowned shooter
6.	152/94-Customs dated 13 th July 1994	Appliance/aids for blind/handicapped imported by institution for blind & deaf; and other specified teaching aids imported by Government Universities
9.	39/96-Customs dated 23 rd July 1996	Specified imports relating to Defence, internal security forces and Air Force.
10.	50/96-Customs dated 23 rd July 1996	Specified equipment, instruments, raw materials, components, pilot plant and computer software when imported for publicly funded R & D projects
13.	23/2016-Customs dated 1 st March 2016	Parts of aircraft when imported into India under the Standard Exchange Scheme
14.	32/2017-Customs dated 30 th June 2017	Imports of artwork and antique books
15.	37/2017-Customs dated 30 th June 2017	Imports in relation to defense and international security forces including medals, decorations, personal effects of Defense Personnel, bonafide gifts from foreign donors, stores and goods for trials, demonstration
17.	25/1999-Customs dated 28 th February 1999	Capital goods/machinery used by the IT/Electronics industry, subject to actual user condition.
19.	35/2017-Customs dated 30 th June 2017	Aviation Turbine Fuel in the tanks of the aircrafts of an Indian Airline or of the Indian Air Force

Note: *Description of entries is indicative. Notification may be referred to for complete description.*

(c) The end dates prescribed are being removed in the following notifications:

S. No.	Notification No.	Brief Description
1.	49/2017-Customs dated 30 th June 2017	Exemption to special Additional Duty on specified goods of fourth schedule to Central Excise Act
2.	52/2017-Customs dated 30 th June 2017	Effective rate of Additional duty for goods under Chapter 27
3.	29/2017-Customs dated 30 th June 2017	Exemption to specimen, models, wall pictures and diagrams for instructional purposes
4.	46/1974-Customs dated 25 th May 1974	Pedagogic material for educational or vocational training courses

Note: Description of entries is indicative. Notification may be referred to for complete description.

CUSTOMS DUTY EXEMPTIONS / CONCESSIONS BEING ALLOWED TO LAPSE

Certain BCD exemptions entries under S No. 50/2017-Customs dated 30.6.2017 and other notifications are being allowed to lapse with effect from 30.9.2024.

The following entries of notification no.50/2017-Customs dated 30.6.2017 are being allowed to lapse with effect from 30.9.2024:

S. No.	S N of 50/2017-Customs	Subject
1.	353	Foreign currency coins when imported into India by a Scheduled Bank
2.	277A	Calendared plastic sheet for manufacturing of Smart Card under chapter heading 8523
3.	421	Specified goods required for basic telephone service, cellular mobile telephone service, internet service or closed users' group 64 KBPS domestic data network via INSAT satellite system service and parts, for manufacture of the goods

4.	482	Newspaper page transmission and reception facsimile system or equipment; and Telephoto transmission and reception system or equipment
5.	340	Solar tempered glass or solar tempered (anti-reflective coated) glass for use in manufacture of solar cells/panels/modules
6.	566	Specific input goods for manufacture of syringes, needles, catheters and cannulae
7.	568	Parts and components for manufacture of blood pressure monitors and blood glucose monitoring system (Glucometers)

Note: Description of entries is indicative. Notification may be referred to for complete description.

The following notifications are being allowed to lapse with effect from 30.9.2024:

S. No	Notification No.	Subject
1.	97/99-Customs dated 21 st July 1999	Exempts BCD and additional duty under Sections 3(1), 3(3) and 3(5) on standard gold bars imported by a RBI authorized bank
2.	30/2004-Customs dated 28 th January 2004	Provides full exemption from BCD to <u>second-hand</u> computers/accessories and peripherals received as donation by schools, charitable institutions.

Note: Description of entries is indicative. Notification may be referred to for complete description.

AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

Notification No. 11/2021 – Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 24.07.2024):					
	AIDC rate changes (with changes to the effective rate of Customs Duty)			Rate	
S. No.	Chapter, Heading, sub-heading, tariff item	Commodity	From	To	
1.	7108	Gold bar	5%	1%	
2.	7108	Gold dore	4.35%	0.35%	
3.	7106	Silver bar	5%	1%	
4.	7106	Silver dore	4.35%	0.35%	
5.	7110	Platinum, Palladium, Osmium, Ruthenium, Iridium	5.4%	1.4%	
6.	7118	Coins of precious metals	5%	1%	
7.	7113	Gold/Silver findings	5%	1%	

This Guidance has been compiled and prepared to assist the Clients. We recommend you to seek and consult a Professional Advice before taking decisions on basis of this Document. The Finance Bill as introduced in the Parliament may undergo changes before its enactment or enforcement.



“THE BUDGET IS NOT JUST A COLLECTION OF NUMBERS, BUT AN EXPRESSION OF OUR VALUES AND ASPIRATIONS”

Allow us to apprise you more!

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