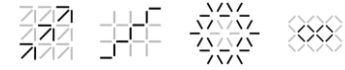


Union Budget 2024-2025

www.crsconsulting.in



About CRS

CRS has proudly completed 70 years of existence and has 10 partners & directors and over 90 team members.

A legacy of excellence
spanning over

70+
years

Established in

1953

Core Team

10 Partners &
Directors

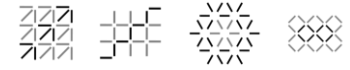
1200+

clients both nationally and
internationally

90+ Team
Members

25 Professionals





Our Values

Agility

We respond to change effectively through collaboration, adaptability, and continuous improvement.



Commitment

We execute high-quality work within timelines and continually strive to maximise our productivity in each client assignment.

Empowerment

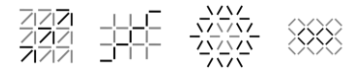
We take ownership of the work delegated to us and contribute to meaningful decision making.



Sincerity

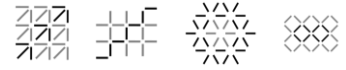
We follow in spirit and action the values of our firm and use them as a moral compass which helps to create an atmosphere of trust and respect.





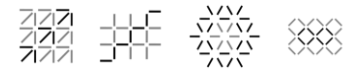
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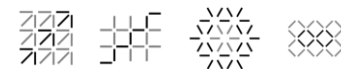


Foreword

- At CRS Consulting, we are pleased to present a snapshot of the key changes proposed to be made through the Union Budget 2024.
- This budget marks a significant step towards economic revitalization, with impactful reforms in both direct and indirect taxes. Designed to bolster growth, support MSMEs, and encourage digital adoption, the budget aims to foster an inclusive and robust economic landscape.
- Our team has meticulously examined the key changes to provide you with insightful guidance on navigating these updates. We believe these measures will drive sustainable development and prosperity. We look forward to assisting you in maximizing the benefits of these new provisions.



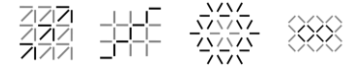
Proposed changes in Direct taxes



Individual Taxation

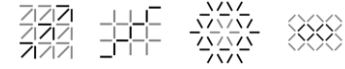
- The standard deduction for salary income increases from ₹50,000 to ₹75,000 under the new regime.
- The deduction for employer's contribution to NPS increases from 10% to 14% for employees under the new regime.
- Penal provisions under the Black Money Act do not apply for non-reporting of overseas assets (excluding immovable property) valued at less than ₹ 20 Lakhs.
- Below is the table showing the rates of tax for individuals opting for the new scheme of taxation:

Total Income	Rate of Tax (%)
Up to ₹3 Lakh	NIL
₹3 - 7 Lakh	5%
₹7 - 10 Lakh	10%
₹10 - 12 Lakh	15%
₹12 - 15 Lakh	20%
Above ₹15 Lakh	30%



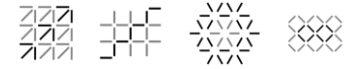
Capital Gains

No	Class of Capital Asset	Holding Period for classification as LTCA		Short Term		Long Term	
		Existing	Proposed	Existing Tax Rates	Proposed Tax Rates	Existing Tax Rates	Proposed Tax Rates
1	Listed equity shares or units of equity oriented mutual funds / Listed units of business trusts (REITs / InVITS)	>12 months (36 months for units of business trust)	>12 months	15%	20%	10% [on gains exceeding Rs. 1,00,000]	12.5% [on gains exceeding Rs. 1,25,000]
2	Unlisted shares	>24 months	>24 months	Applicable rates	Applicable rates	10% without indexation (for non-residents) 20% with indexation (for residents)	12.5% without indexation



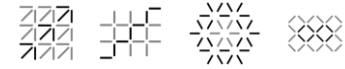
Capital Gains

No	Class of Capital Asset	Holding Period for classification as LTCA		Short Term		Long Term	
		Existing	Proposed	Existing Tax Rates	Proposed Tax Rates	Existing Tax Rates	Proposed Tax Rates
3	Listed securities (other than units) or zero-coupon Bonds (including listed debentures / bonds*)	>12 months	>12 months	Applicable rates	Applicable rates	Lower of 10% without indexation or 20% with indexation*	12.5% without indexation
4	Unlisted debentures and bonds	>36 months	>24 months	Applicable rates	Applicable rates	20% with indexation	Applicable rates
5	Market linked debentures and Debt Mutual Funds	>36 months	>24 months	Applicable rates	Applicable rates	Applicable rates	Applicable rates



Capital Gains

No	Class of Capital Asset	Holding Period for classification as LTCA		Short Term		Long Term	
		Existing	Proposed	Existing Tax Rates	Proposed Tax Rates	Existing Tax Rates	Proposed Tax Rates
6	Land & Building	>24 months	>24 months	Applicable slab rates	Applicable slab rates	20% with indexation	12.5% without indexation
7	Any other capital asset	>36 months	>24 months	Applicable slab rates	Applicable slab rates	20% with indexation	12.5% without indexation

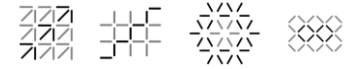


Tax on Buyback of shares for shareholders

Particulars	Existing	Proposed
Tax on Buyback of shares of domestic companies in the hand of Shareholders	Exempted u/s 10 (34A)	<ul style="list-style-type: none"> Sum received treated as deemed Dividend, taxable under Income from other Source

Foreign Companies Tax Rates

- Reduction of rate of foreign companies to 35 per cent:
- It is proposed to reduce the rate of income-tax chargeable on income of foreign company (other than that chargeable at special rates) from 40 per cent to 35 per cent.



Section 194T

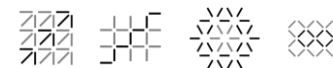
- New section 194T introduced
- TDS on payment of salary, remuneration, interest, bonus or commission by partnership firm to partners [payments to any account (including capital account) of the partner of the firm].

Particulars	Existing	Proposed
TDS on payment by partnership firm to partners	-	10% if the aggregate amount is more than Rs 20,000 in the financial year

Removal of Angel Tax

- In case of issue of shares of unlisted company earlier tax was levied if the consideration received for issue of shares exceeds the face value of such shares, the aggregate consideration received for such shares exceeding such fair market value shall be chargeable to income tax under the head "Income from other sources".

Particulars	Existing	Proposed
Consideration on Issue of Shares exceeds the Fair value of Shares.	Amount exceeding FV is taxable as Income from other source.	Not Taxable.

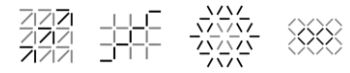


Tax Deducted At Source (TDS)

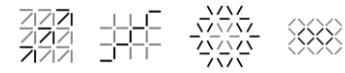
Particulars	Section	Existing	Proposed	With Effect From
•Payment of insurance commission (in case of person other than company)	194D	5%	2%	1-Apr-25
•Payment in respect of life insurance policy	194DA	5%	2%	1-Oct-24
•Commission etc on sale of lottery tickets	194G	5%	2%	1-Oct-24
•Payment of commission or brokerage	194H	5%	2%	1-Oct-24
•Payment of rent by individuals or HUF not covered under tax audit	194-IB	5%	2%	1-Oct-24
•Payment of certain sums by certain individuals or Hindu undivided family	194M	5%	2%	1-Oct-24
•Payment of certain sums by e-commerce operator to e-commerce participant	194O	1%	0.1%	1-Oct-24

New safe Harbour rules shall be notified

- Safe Harbour Rules are proposed to be amended to expand the scope and make it more attractive so that the taxpayers adopt the Safe Harbour Scheme to avoid TP litigation in future (as per the Budget Speech).
- TP Assessment procedure is proposed to be streamlined (as per the Budget Speech)



Proposed changes in Indirect taxes



Levy of GST

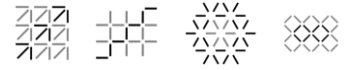
- Section 9 of CGST Act, 2017 and Section 5 of IGST Act, 2017:
- This section is being amended to exclude un-denatured extra neutral alcohol utilized in the production of alcoholic liquor intended for human consumption.

Exemptions under GST

- Section 11A of CGST Act and Section 6A of IGST Act:
- It is being introduced, empowering the government to waive off instances of non-levy or under-levy of differential tax resulting from general trade practices.

No IGST Refunds if Export is Subject to Export Duty

- Section 54 of CGST Act and Section 16 of IGST Act:
- Accumulated ITC on zero-rated supply of goods is not eligible for a refund if export goods are subject to export duty.

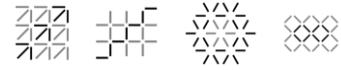


Input Tax Credit

- Section 16(5) of CGST Act:
- Retrospective amendment is being introduced, enabling the entitlement to claim ITC on invoices and debit notes pertaining to the period FY 2017-18 to FY 2020-21. This entitlement is subject to the conditions that the ITC claim is made in Form GSTR 3B and that the corresponding GSTR 3B return is filed by 30th November 2021.
- Section 16(6) of CGST Act:
- Retrospective insertion of this section to enable registered persons to claim ITC in cases where their registration was cancelled and restored subsequently, provided the ITC was eligible for claim under Section 16(4) as on the date of order of cancellation of registration.
- Section 17(5) of CGST Act:
- Restricts non-availability of ITC for tax paid under section 74 for demands up to FY 2023-24.

Power to summon Persons to Give Evidence and Produce Documents

- Section 70 of CGST Act:
- Amendment to insert sub-section 1A to enable an authorized representative to appear on behalf of the summoned person.

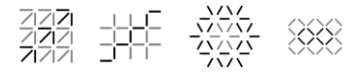


Demand and Recovery

- Sections 73 and 74 of CGST Act:
- These sections are being amended to limit applicability the same to demands till FY 23-24.
- Section 74A:
- From FY 24-25, demands will be determined in accordance with the provisions newly inserted under Section 74A.

Appeals

- Pre-deposit for filing appeals:
- Reduced from 20% to 10% of the tax demand.
- Maximum pre-deposit amounts for appellate authority and GSTAT also reduced.

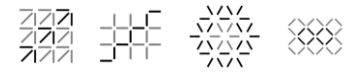


Amnesty Scheme for waiver of Interest and Penalty

- Section 128A of CGST Act:
- This section is inserted to incorporate conditional waiver of interest and penalties for the period FY 2017-18 to FY 2019-20.
- Applicable to cases where demand notices have been issued under section 73 and the taxpayer settles the full tax liability before a date to be notified.

RCM - time of supply

- Amendment to clarify time of supply of services in reverse charge supplies.
- Amendment is proposed in Section 13 of CGST Act to provide for time of supply of services where the invoice is required to be issued by the recipient of services in cases of reverse charge supplies.



Encouraging Passion,
Shaping Inspiration,
Making an Impact

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