SHARP & TANNAN

UNION BUDGET

2024-25

INTRODUCTION

The Indian economy has demonstrated consistent growth post-pandemic and has outperformed its global and regional peers. Financial and professional services have been a major driver of growth post the pandemic. On the demand side, private consumption has been a crucial and steadfast cog in GDP growth.

The headline inflation rate is largely under control, although the inflation rate of some specific food items is elevated. The trade deficit was lower in FY 2023-24 than in FY 2022-23, and the current account deficit for the year is around 0.7% of GDP.

Though many economic indicators are on the positive side, some sectors need a boost, particularly Agriculture and Micro, Small and Medium Enterprises ('MSME') sectors. The present budget tries to balance the growth by listing the nine priorities in pursuit of 'Viksit Bharat', i.e. in making India a developed nation by the year 2049.

CONTENTS

The Union Budget 2024-25 focuses on the following 9 key priorities as a roadmap in accomplishing 'Viksit Bharat'.

- Productivity and Resilience in Agriculture
- Employment & Skilling
- Inclusive Human Resource Development and Social Justice
- Manufacturing & Services
- Urban Development
- Energy Security
- Infrastructure
- Innovation, Research & Development and
- Next Generation Reforms

The key highlights of the Union Budget are summarised below.

TAX PROPOSALS

Direct Taxes - Corporate

- Equalisation levy at the rate of 2% for e-commerce supply or services shall not be applicable on or after the 1st day of August, 2024.
- Notice for reassessment and reopening can be issued beyond the period of three years but not beyond the period of five years from the end of the relevant assessment year where income escaping assessment is INR 50 lakhs or more.
- The corporate tax rate for foreign companies, reduced from 40% to 35%.
- Abolishment of Angel Tax (section 56(2)(viib)). This abolition is for all investor classes.
- Monetary limits for filing appeals by the department related to direct taxes, excise and service tax in the Tax Tribunals, High Courts and Supreme Court have been increased to INR 60 lakhs, INR 2 crore and INR 5 crore respectively.
- The merger of two approved trust u/s 11 or 10(23C) as the case may be will not attract provisions of tax on accreted income.

Direct Taxes – Personal

- No change in the tax rates under the old tax regime.
- Under the New Tax Regime u/s 115BAC, the rate of taxation remains unchanged. However, the size of each slab under the said regime has changed.
- Standard deduction to be increased to INR 75 thousand from INR 50 thousand for salaried employees and pensioners under the new tax regime.
- The benefit of TCS paid to be allowed while computing the amount of tax to be deducted on salary income.
- The NPS Vatsalya programme will be made available for parents to invest in on behalf of their children. The account may be passed to the child after they reach adulthood.
- The deduction of expenditure by employers towards NPS is proposed to be increased from 10% to 14% of the employee's salary.

Direct Taxes – General

Rationalisation of Capital Gain Tax Structure

- Long-term classification for listed financial assets is over one year; for unlisted and non-financial assets, it's over two years.
- Unlisted bonds, debentures, debt mutual funds, and market-linked debentures will attract applicable capital gains tax rates, regardless of holding period.
- Short-term gains tax on specified financial assets increased from 15% to 20%; rates on other financial and non-financial assets remain unchanged.
- long-term capital gains in respect of all category of assets will attract a tax rate of 12.5% without indexation advantage (previous rate of 20% with indexation benefit).
- The exemption limit on long term capital gains for certain listed financial assets increased from INR 1 lakh to INR 1.25 lakhs annually.
- An increase in the Securities Transaction Tax (STT) on Futures will rise from 0.0125% to 0.02%, while the STT on options will increase from 0.0625% to 0.10%.
- TDS on repurchase by MF or UTI under section 194T @20% is proposed to be withdrawn.

Rationalisation of TDS rates

- TDS on payment to a partner: Payments made by a firm to its partner shall be subject to TDS at 10% for aggregate amounts more than INR 20 thousand in a financial year.
- TCS on notified luxury goods: Levy TCS of 1% on notified goods of value exceeding INR 10 lakhs.

Others

- State government induced to reduce stamp duty on purchase of property by women.
- Any amount received from buy back of shares will be taxable in the hands of the shareholders as dividend and cost of acquisition of shares will be treated as capital loss.
- Indexation benefit available on transfer of long term capital asset (including Land & Building) is proposed to be removed.
- Disclosure of all foreign assets (including investment in shares and securities) and income from such foreign assets in the Income Tax Return made mandatory for every resident and ordinarily resident subject to certain exemption limits.

Indirect Taxes - Customs Tariff Rate Changes

- Critical Minerals: BCD has been reduced on various critical minerals, which will favourably impact the input costs of various strategic industries. In many cases, the BCD rate has been reduced to Nil.
- Drugs: BCD has been fully exempted on the following cancer drugs (from 10% to Nil)
  - Trastuzumab Deruxtecan
  - Osimertinib
  - Durvalumab
- Electronic goods and equipment: Reduction in duties on certain electronic goods has a favourable impact on the cellular/mobile industry.

OTHER PROPOSALS (NON-TAX)

- **Industrial parks**
  Development of investment-ready 'plug and play' industrial parks with complete infrastructure in partnership with States and the private sector. 12 industrial parks under the National Industrial Corridor Development Programme to be sanctioned.
- **Shipping**
  Setting up of Critical Mineral Mission for domestic production, recycling of critical minerals, and overseas acquisition of critical mineral assets.
- **Digital Public Infrastructure ('DPI')**
  Development of DPI applications in the areas of credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery, and urban governance.
- **Skill programme**
  1,000 Industrial Training Institutes (ITIs) to be upgraded in hub and spoke arrangements in five years with a focus on outcome and quality of skilling with industry collaboration.
- **MSME Sector Support**
  - Introducing a Credit Guarantee Scheme
  - Credit support during the stress period
  - Increase in the mudra loans limit from INR 10 lakhs to INR 20 lakhs
  - Financial support for setting up of 50 multi-product food irradiation units in the MSME sector
- **Agriculture sector support**
  - New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers
  - Initiation of 'natural farming' supported by certification and branding
  - Strengthening the production, storage and marketing of oil seeds and pulses
  - Promotion of vegetable production and supply chains
  - Bringing the farmers and their lands in the registries by implementing digital public infrastructure
- **Tourism**
  Development of certain temples of spiritual significance, and tourist destinations of scenic beauty, wildlife, monuments, beaches etc. will be undertaken leading to the creation of jobs, stimulating investments and unlocking economic opportunities for other sectors.

GLOBAL ECONOMY

Despite heightened risks from geopolitical tensions, elevated public debt and a slower rate of disinflation, the global financial system has remained resilient, and financial conditions appear stable.

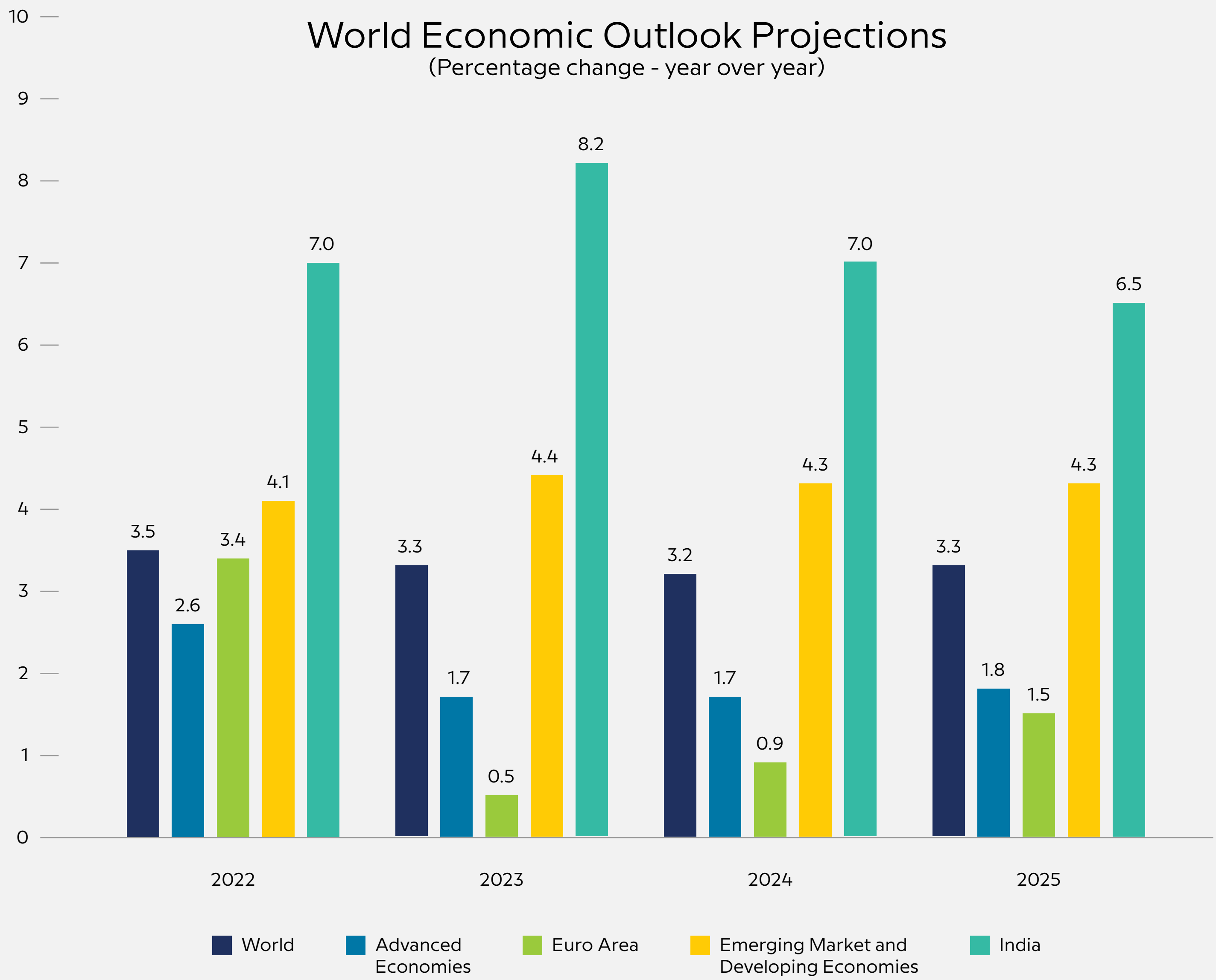
The overall global growth is stabilizing showing a projected growth rate of 3.3% in 2025.

The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India.

Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Among the advanced economies, growth in the United States is expected to slow to 1.9% in 2025 as the labour market cools and consumption moderates, with fiscal policy starting to tighten gradually. However, the same is offset by shoots of recovery in the Euro area.

The focus of governments worldwide is on:

- Stabilizing the prices and
- Reducing debt



Source: Global Economic Outlook, July 2024

INDIAN ECONOMY

- The Indian economy and its financial system remain robust and resilient, anchored by macroeconomic and financial stability.
- The Reserve Bank of India ('RBI) and the International Monetary Fund ('IMF') have projected the Indian economy to grow by 7% in 2024 and 6.5% in 2025.
- The outlook for the Indian economy remains bright, underpinned by a sustained strengthening of macroeconomic fundamentals, robust financial & corporate sectors, and a robust external sector.
- India's external sector remained strong amidst ongoing geopolitical headwinds.

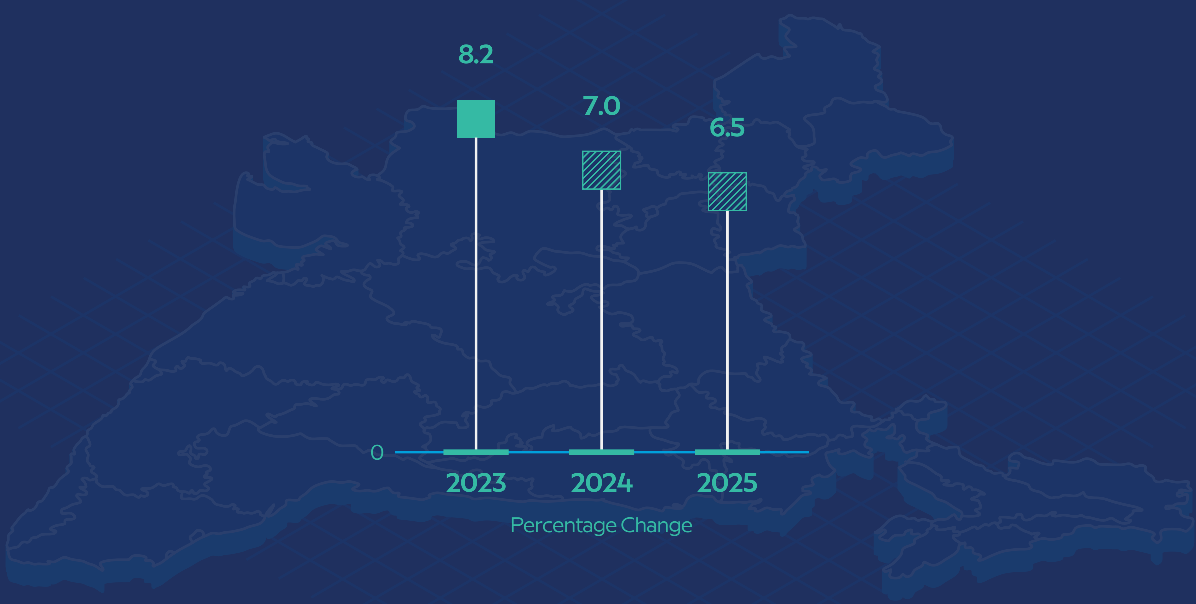
Trade deficit reduced over FY 2022-23. **35.77%**

The fiscal deficit for FY 2023-24. (6.4% of GDP in FY 2022-23) **5.6%** (% of GDP)

Capital expenditure allocation INR **11,11,111 crore** (3.4% of GDP)

IMF Growth Forecast

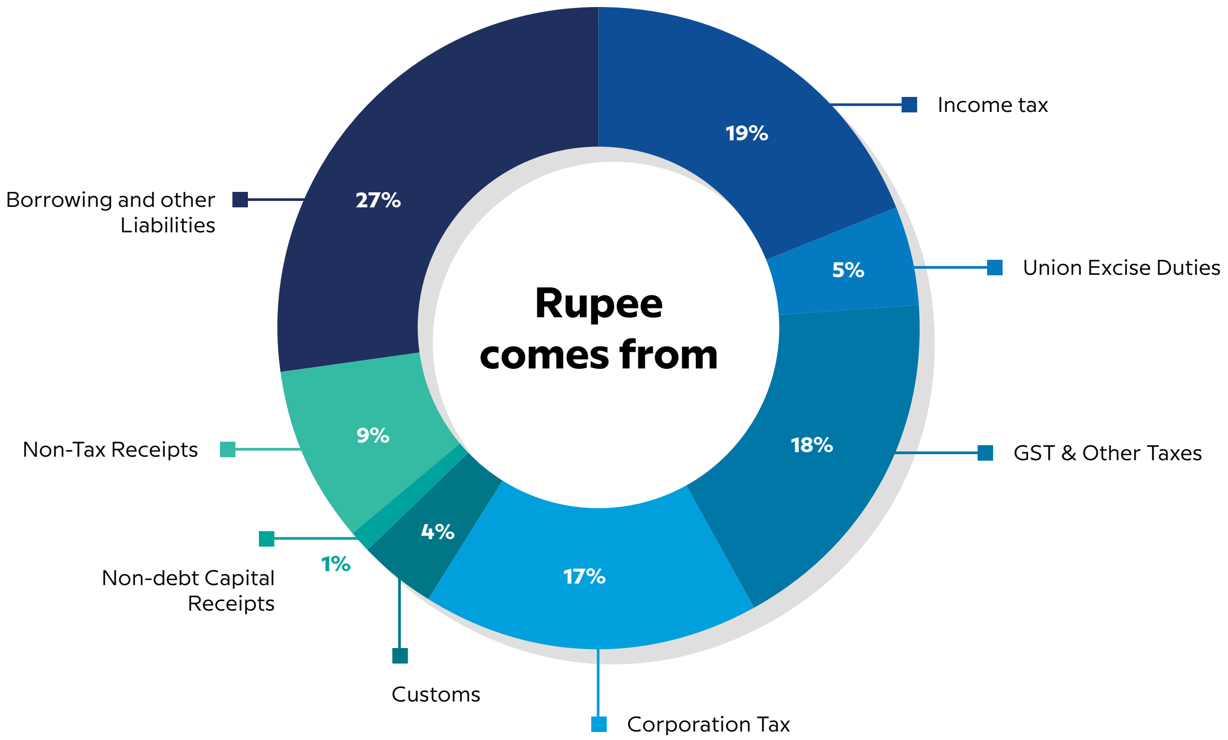
INDIA

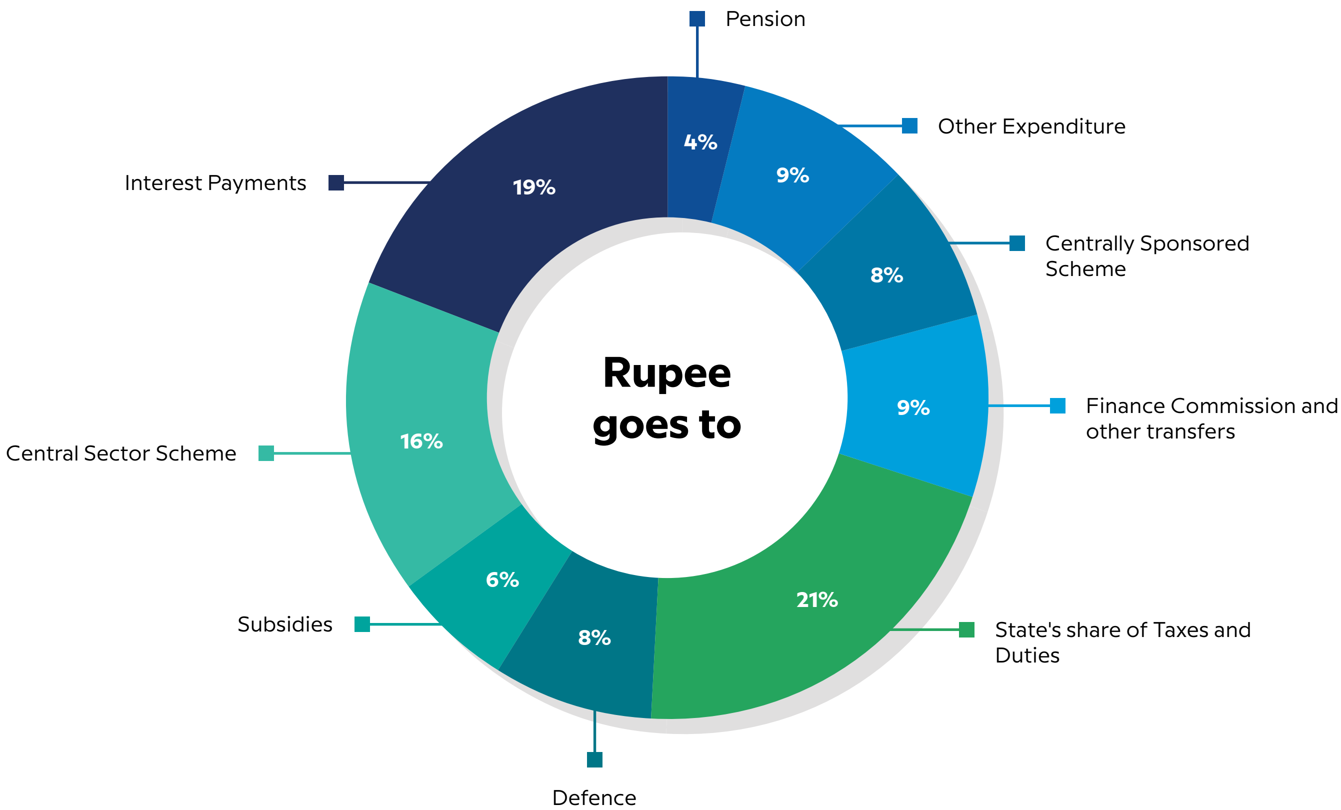


NINE PRIORITIES FOR VIKSIT BHARAT

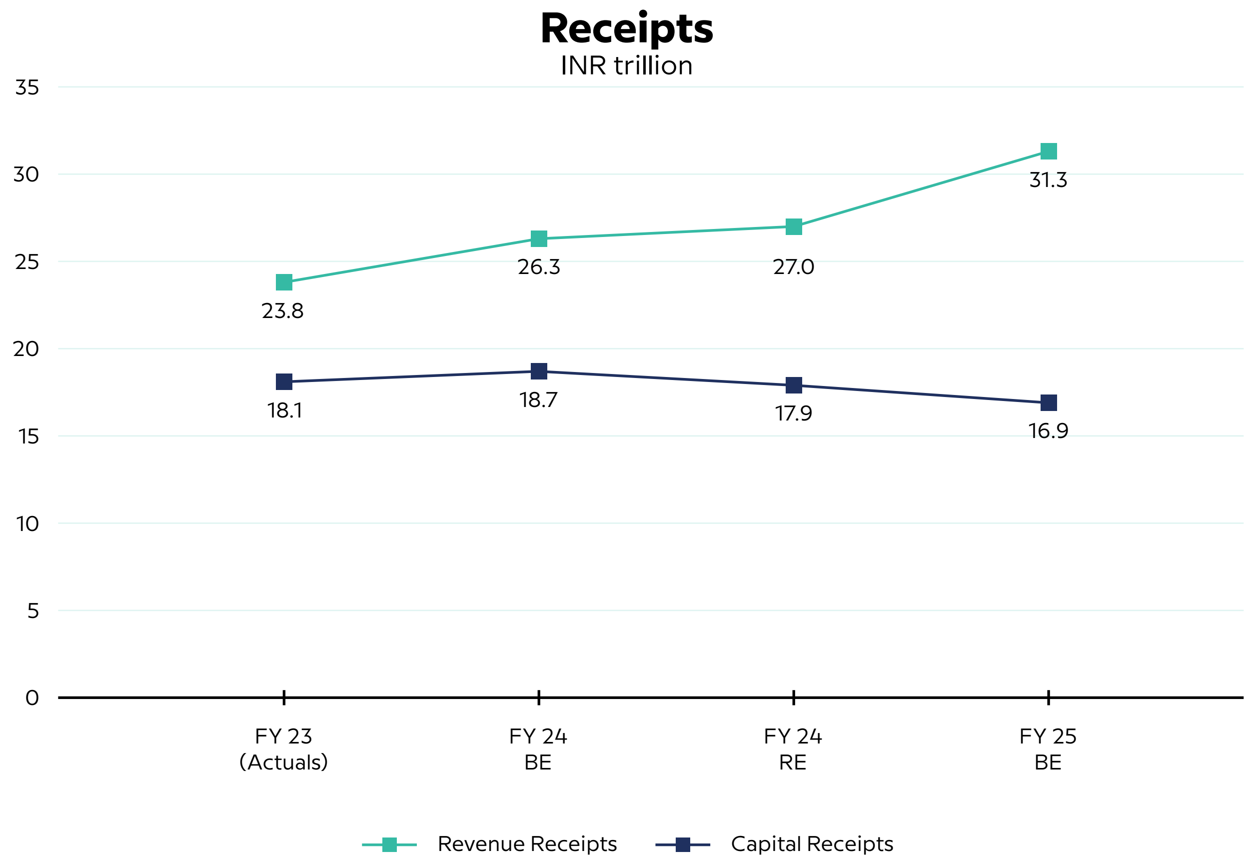
- Productivity and resilience in Agriculture
- Employment & Skilling
- Inclusive Human Resource Development & Social Justice
- Manufacturing & Services
- Urban Development
- Energy Security
- Infrastructure
- Innovation, Research and Development
- Next Generation Reforms

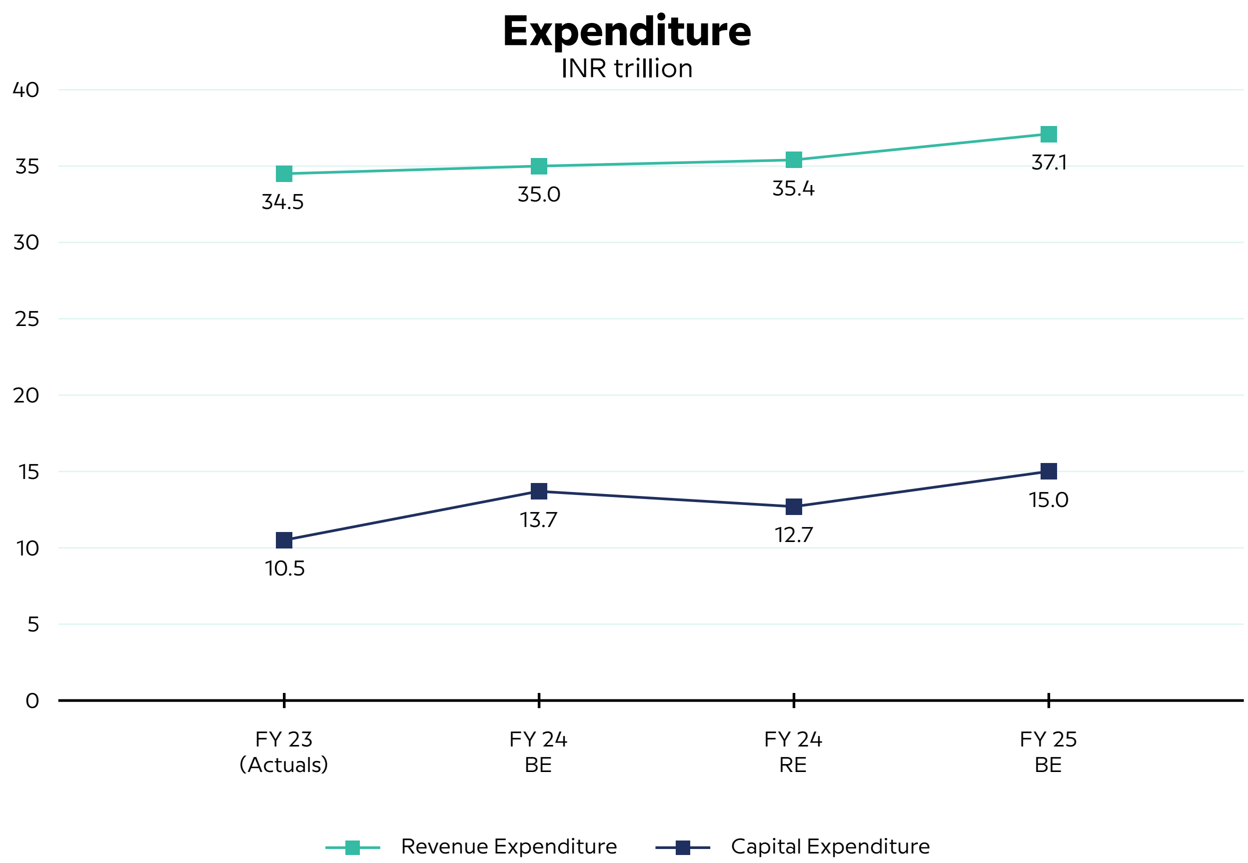
RUPEE IN & OUT





Source: Key features of Budget 2024-25





BE: Budgeted Estimates *RE: Revised Estimates* *Source: Key features of Budget 2024-25*

KEY POLICY ANNOUNCEMENTS

Productivity and Resilience in Agriculture

- New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
- Initiation of 'natural farming' supported by certification and branding.
- Strengthening the production, storage and marketing of oil seeds and pulses.
- Promotion of vegetable production and supply chains.
- Bringing the farmers and their lands in the registries by implementing digital public infrastructure.
- National Cooperation Policy will be brought in for systematic, orderly and all-round development of the cooperative sector.
- Issuance of Jan Samarth based Kisan Credit Cards will be enabled in 5 states – This initiative will promote the maintenance of farm assets and activities allied to agriculture by managing the working capital.

IMPACT

- Release of high-yielding and climate-resilient varieties will encourage the farmers to adopt better crop planning and hence maximize the yield and focus on increasing productivity.
- Promoting sustainability in agriculture.
- Issuance of Jan Samarth Kisan Credit cards promote the maintenance of farm assets and activities allied to agriculture by managing the working capital.

Employment & Skilling

- PM's Package of 3 schemes for employment-linked incentives introduced to boost employment has been introduced.
- Facilitation of higher participation of women in the workforce.
- Under the centrally sponsored scheme, 20 lakh youth will be skilled over 5 year period.
- 1,000 Industrial training institutes proposed to be upgraded in the hub and spoke arrangements. Course content aligned with the skill needs of the industry.
- Financial Support up to INR 10 Lakhs offered to students for higher education in domestic institutions.

IMPACT

- Financial assistance to the students ensures the accessibility to higher education and skilling programs.
- By introducing the incentive programs, financial aid for the new entrants into the job market will be secured.

Inclusive Human Resource Development & Social Justice

- Development of road connectivity projects and power projects in the Eastern part of the country will be undertaken.
- More than 100 branches of India Post Payment Bank will be set up in the North East region.
- Andhra Pradesh Reorganization Act recognizing the state's need for the capital, financial support of INR 15,000 crores will be provided in FY 24-25. Commitment towards completion of Polavaram Irrigation Project ensuring food security of the nation. Essential infrastructure such as water, power, railways, and roads in the Kopparthy node on the Vishakhapatnam-Chennai Industrial Corridor and the Orvakal node on the Hyderabad-Bengaluru Industrial Corridor.

IMPACT

- Allocation of funds under the Andhra Pradesh Reorganization Act will bolster the development of the state and the capital city.
- Growth-oriented schemes in the Eastern part of the country will promote road connectivity, employment, and the economy of the states.
- Setting up of several branches of India Post Payment banks in the North Eastern States will promote saving and investing among the masses.

KEY POLICY ANNOUNCEMENTS

Manufacturing & Services

- Development of investment-ready 'plug and play' industrial parks with complete infrastructure in partnership with States and the private sector. 12 industrial parks under the National Industrial Corridor Development Programme to be sanctioned.
- Introducing a Credit Guarantee Scheme.
- Credit support during the stress period.
- Increase in the mudra loans limit from INR 10 lakhs to INR 20 lakhs.
- Financial support for setting up of 50 multi-product food irradiation units in the MSME sector.

IMPACT

- Assistance to the MSMES will assist the entities to compete in the domestic and global markets.

Urban Development

- Encouraging states to lower stamp duties for properties purchased by women.
- Envisioning a scheme to develop 100 weekly 'haats' or street food hubs in select cities.
- Needs of 1 crore urban poor and middle-class families will be addressed with an investment of INR 10 lakh crore.
- Promote water supply, sewage treatment, and solid waste management projects and services for 100 large cities through bankable projects.

IMPACT

- The proposal to lower the stamp duties will encourage the ownership of properties and prevent the states from charging exuberant stamp duties.
- Overall and comprehensive development of the urban cities is envisaged.

Nuclear Energy Initiatives

- Setting up Bharat Small Reactors.
- R&D of Bharat Small modular Reactor and newer technologies for nuclear energy.
- Financial support for shifting of micro and small industries to cleaner forms of energy.
- Facilitate investment grade energy audit in 60 clusters, next phase expands to 100 clusters.
- A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial plant.

IMPACT

- Private sector initiatives in nuclear energy, like Bharat Small Reactors and modular R&D, will enhance energy security and diversify sources.
- The Pumped Storage Policy supports renewable energy integration and grid stability.
- Financial support for energy audits will promote cleaner energy in small industries and improve efficiency.
- The NTPC-BHEL venture for an 800 MW AUSC plant will boost efficiency and reduce emissions in thermal power generation.

KEY POLICY ANNOUNCEMENTS

Infrastructure

- Provision of INR 11,11,111 Crore for infrastructure (3.4% of GDP).
- INR 1.5 lakh crore to states as long-term interest free loans to support resource allocation.
- Development of certain temples of spiritual significance, and tourist destinations of scenic beauty, wildlife, monuments, beaches etc will be undertaken leading to the creation of jobs, stimulating investments and unlocking economic opportunities for other sectors.

IMPACT

- Capital outlay for infrastructure allocation and allocation towards state loans will boost growth and resource allocation. Phase IV of PMGSY will enhance rural connectivity for 25,000 habitations.
- Provision for irrigation and flood projects, will improve water management and reduce flood risks.
- Development of temples, universities and tourist destinations will lead to job creation and stimulating investments.

Innovation, Research and Development

- Operationalization of the Anusandhan National Research Fund for basic research and prototype development.
- Private sector-driven research and innovation at commercial scale with a financing pool of INR 1 lakh crore.
- A venture capital of fund of INR 1,000 crore is to be set up for Space Economy.

IMPACT

- The operation of Anusandhan National Research Fund is expected to foster scientific advancements.
- Boost to the private sector research and innovation at a commercial scale, promoting technological breakthroughs and economic growth.
- Boost to the space economy, encouraging investment in space-related ventures and enhancing India's position in the global space sector.

Next Generation Reforms

These reforms will facilitate high economic growth and employment opportunities. This will be achieved through:

- improving the productivity of factors of production, i.e. land, labour, capital and entrepreneurship with the support of technology, and
- facilitating markets and sectors to become more efficient.

This will be enabled through land-related reforms, taxonomy for climate finance, foreign direct investments and overseas investments, etc.

IMPACT

- The taxonomy for climate finance will ensure the diversion of funds towards sustainable projects.
- Simplifying FDI and overseas investment processes and promoting the Indian Rupee for international transactions will increase foreign investments, boost economic growth, and enhance India's global financial integration.
- The NPS Vatsalya Plan will secure the financial future of minors through pension contributions, fostering long-term financial security and planning for young citizens.
- Enhancing data governance will improve the accuracy, reliability, and usability of data and statistics, aiding in better policy-making, resource allocation, and overall governance.

TAX PROPOSALS

Direct Taxes - Corporate

- Equalisation levy at the rate of 2% for e-commerce supply or services shall not be applicable on or after the 1st day of August, 2024.
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Rationalisation of Capital Gain Tax Structure

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- The exemption limit on long term capital gains for certain listed financial assets increased from INR 1 lakh to INR 1.25 lakhs annually.
- An increase in the Securities Transaction Tax (STT) on Futures will rise from 0.0125% to 0.02%, while the STT on options will increase from 0.0625% to 0.10%.

Rationalisation of TDS/TCS rates

- TDS on repurchase by MF or UTI under section 194T @20% is proposed to be withdrawn.
- TDS on payment to a partner: Payments in the nature of salary, renumeration, interest, bonus or commission made by a firm to its partner shall be subject to TDS at 10% for aggregate amounts more than INR 20 thousand in a financial year.
- TCS on notified luxury goods: Levy TCS of 1% on notified goods of value exceeding INR 10 lakhs.
- Rate of interest on failure to pay amount of TCS collected, to government account increased from 1% to 1.5%.

Others

- State government to be induced to reduce stamp duty on purchase of property by women.
- Any amount received from buy back of shares will be taxable in the hands of the shareholders as dividend

and cost of acquisition of shares will be treated as capital loss.

- Indexation benefit available on transfer of long term capital asset (including Land & Building) is proposed to be removed.

- Disclosure of all foreign assets (including investment in shares and securities) and income from such foreign assets in the Income Tax Return made mandatory for every resident and ordinarily resident subject to certain exemption limits.

INDIRECT TAX PROPOSALS

Customs Tariff Rate Changes

These changes will come into effect from the midnight of 23rd /24th July 2024.

Critical Minerals: Basic Customs Duty ('BCD') on various critical minerals is reduced, which will favourably impact the input costs of various strategic industries. In many cases, the BCD rate has been reduced to 'Nil.'

Agricultural goods: BCD on shea nuts has been reduced from 30% to 15%.

Aquafarming and Marine Sector: There is a reduction in BCD to 5% or Nil (in various items) in the aquafarming and marine sector.

Drugs: BCD has been fully exempted on the following cancer drugs (from 10% to Nil).

(i) Trastuzumab Deruxtecan
(ii) Osimertinib
(iii) Durvalumab

Textile and leather

a) BCD has been reduced from 7.5% to 5% on MDI for manufacture of spandex yarn to rectify duty inversion. This is subject to IGCR condition.

b) BCD has been reduced from 30% to 10% on Real Down Filling material from duck or goose for use in manufacture of textile or leather garments for export.

c) Exemption has been extended to wet white leather, crust and finished leather for manufacture of textile or leather garments, leather/synthetic footwear or other leather products for export.

d) Exemption has been extended to certain additional accessories and embellishments for manufacture of textile or leather garments, leather/synthetic footwear or other leather products for export.

Electronics goods and equipment

a) BCD on cellular/mobile phones has been reduced from 20% to 15%.

b) BCD on PCBA of cellular/mobile phone has been reduced from 20% to 15%.

c) BCD on charger/adapter of cellular mobile phone has been reduced from 20% to 15%.

d) BCD on Oxygen Free Copper (OFC) Strip has been reduced from 5% to Nil for use in manufacture of resistors subject to IGCR condition.

e) The exemption entries providing concessional BCD rate to mechanics and die-cut parts of chapters 39 and 73 have been expanded to include chapter 40, 70 and 76.

f) The exemption entry covering input items/raw material for use in manufacture of connectors has been expanded to add more input items/raw material.

g) BCD rate on PCBA of specified telecom equipment has been increased from 10% to 15%.

The above changes may favourably impact the cellular/mobile industry.

Precious metals

a) The duty rates on precious metals have been revised as a result of which, BCD has been reduced from:

(i) 7.5% to 5% on Platinum and Palladium used in the manufacture of noble metal solutions, noble metal compounds and catalytic convertors.
(ii) 7.5% to 5% on bushings made of platinum and rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India.

Capital Goods

a) Certain specified capital goods has been added to the list of exempted goods for use in manufacture of solar cells and modules.
b) Certain specified goods have been added in the exemption entry (S.No 404 of Notification no 50/2017-customs) for use in petroleum exploration operations.

Export duty

The effective export duty structure on raw hides, skins and leather have been simplified and rationalized, which may help to boost the exports of these products

B. Proposed Changes to Customs Act 1962 by Finance Bill, 2024

(i) Section 28 DA (the section that prescribes the procedure for imports from specified countries, with claims for preferential rates of duty) is being amended to enable the acceptance of different types of proof of origin provided in trade agreements to align the said section with new trade agreements which provide for self-certification.

(ii) A proviso to sub-section (1) of section 65 is being inserted to empower the Central Government to specify certain manufacturing and other operations in relation to a class of goods that shall not be permitted in a warehouse.

(iii) Section 143AA of the Customs Act is being amended to substitute the expression "a class of importers or exporters" with "a class of importers or exporters or any other persons" to facilitate the trade.

(iv) Clause (m) of subsection (2) of section 157 of the Customs Act is being amended by substituting the expression "a class of importers or exporters" with "a class of importers or exporters or any other persons".

[These changes shall come into effect from the date of assent to the Finance (No 2) Bill].

C. Proposed Key Changes to CGST Act, by Finance Bill, 2024

1. Section 9 is being amended to bring Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption out of purview of central tax. Similar amendments are proposed in IGST Act and UTGST Act.

2. Section 11A is being inserted to empower the government to regularize non-levy or short levy of central tax due to any general practice prevalent in trade and business practice. Similar power is being proposed in IGST Act, UTGST Act and GST (Compensation to States) Act.

3. **Retrospective Amendment to Section 16(4) to allow input tax credit ('ITC') to be claimed with an extended time limit:**
New sub-sections (5) and (6) are being inserted in section 16 of CGST act to relax the time limit to avail input tax credit as per section 16(4) of the CGST Act, retrospectively from 1st July 2017, as follows:

   a. **In respect of initial years of implementation of GST, i.e., financial years 2017-18, 2018-19, 2019-20 and 2020-21**

   In respect of an invoice or debit note for the financial years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take ITC in any return under section 39 which is filed upto the 30th day of November, 2021.

   b. **With respect to cases where returns have been filed after revocation**

   The time limit to avail input tax credit in respect of an invoice or debit note, in cases where returns for the period from the date of cancellation of registration/effective date of cancellation of registration till the date of revocation of cancellation of the registration, will be extended till the date of filing the said GSTR-3B return, subject to certain conditions, if the said return is filed by the registered person within thirty days of the order of revocation of cancellation of registration.

4. Section 74A is being inserted in the CGST Act to provide a common time limit for issuance of demand notices and orders in respect of demands for FY 2024-25 onwards, for cases involving charges of fraud, suppression of facts or wilful misstatement and the cases not involving the charges of fraud, suppression of facts or wilful misstatement, etc.

5. Further, the time limit for the taxpayers to avail the benefit of reduced penalty, by paying the tax demanded along with interest, is being increased from 30 days to 60 days.

6. Further, section 73 and 74 of CGST Act are being amended to limit the applicability of these sections to demands up to FY 2023-24, since from FY 2024-25 onwards demands are to be ascertained as per provisions of the newly inserted section 74A. Also, section 75 of CGST Act is being amended to allow for redetermination of penalties if the charges of fraud, suppression, or willful misstatement are not established.

7. Reduction in pre deposits for filing appeals to GST Tribunal: sections 107 and 112 of CGST Act are being amended to reduce the maximum amount of pre-deposit for filing appeal with the Appellate Authority from INR 2 crores of CGST to INR 20 crores of CGST and to reduce the minimum pre-deposit for filing appeal with the Appellate Tribunal from 20% with a maximum amount of INR 50 crores of central tax to 10% with a maximum of INR 20 crores of central tax.

8. Further, the time limit for filing appeals before the Appellate Tribunal is being modified to prevent the appeals from getting time-barred, on account of the Appellate Tribunal not coming into operation till date.

9. Section 128A is being inserted in the CGST Act to provide for a conditional waiver of interest and penalty in respect of demands pertaining for financial years 2017-18, 2018-19 and 2019-20, in cases where demand notices have been issued under section 73 and full tax liability is paid by the taxpayer before a date to be notified. **This relief will not apply to demands issued under section 74, i.e. where an allegation of suppression of facts is invoked.**

D. Proposed Key Changes to IGST Act by Finance Bill, 2024

1) Sub-section (1) in section 5 in the IGST Act is being amended, so as to not levy IGST on Extra Neutral Alcohol used for the manufacture of alcoholic liquor for human consumption.

2) Section 6A is being inserted in the IGST Act, so as to empower the Government to regularize non–levy or short levy of integrated tax where it is found that such non-levy or short levy was a result of general business practice.

3) Sub-section (4) in section 16 in the IGST Act is being amended, so as to provide for notification of class of persons who may make zero-rated supplies of goods or services or both or class of goods or services which may be supplied on zero rated basis, and refund of integrated tax in respect of which can be claimed, in accordance with the provisions of section 54 of the CGST Act, subject to such conditions, safeguards and procedures as may be prescribed.

4) Sub-section (5) of section 16 is being inserted in the said section to deny refund of unutilized input tax credit or of integrated tax paid on account of zero rated supply of goods, in cases where the zero rated supply of goods is subjected to export duty.

5) **Reduction in pre-deposits for filing Appeals to GST Tribunal:** Section 20 in the IGST Act is being amended, so as to reduce the maximum amount of pre-deposit payable for filing appeal before appellate authority from INR 50 crores to INR 40 crores of IGST. Further, it proposes to reduce the maximum amount payable as pre-deposit for filing appeal before the Appellate Tribunal from INR 100 crores to INR 40 crores of IGST.

Note : The effective date of all proposed changes in CGST and IGST Act , will be as per gazetted notifications to be issued in future.

We would like to acknowledge the contribution and efforts of the budget team:

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Shouvik Roy
Vaibhavi Gandhi

All the Budget 2024 publications were prepared under the guidance of our tax partners:

Shreedhar Kunte
Raghunath Acharya
Pramod Bhise
Moiz Motiwala

For further information please contact:

Ahmedabad

A1/01, Safal Profitaire, Corporate Road,
Prahalad Nagar, Ahmedabad – 380015,
Gujarat.
Phone: (91) (79) 2970 2082

Mumbai – Churchgate

Ravindra Annexe, 194,
Churchgate Reclamation, Dinshaw Vachha Road, Mumbai – 400 020, Maharashtra.
Phone: (91) (22) 2286 9900-48 / 2204 7722

Bengaluru

103 & 203, Midford House,
1, Midford Gardens, off MG. Road,
Bengaluru – 560 001, Karnataka.
Phone: (91) (80) 2555 0987, 2555 0989

Mumbai – Nariman Point

87, Nariman Bhavan,
227 Nariman Point,
Mumbai – 400 021, Maharashtra.
Phone: (91) (22) 6153 7500, 2202 2224 / 8857

Chennai

Parsn Manere, A Wing Third Floor,
602, Anna Salai, Chennai – 600 006,
Tamil Nadu.
Phone: (91) (44) 2827 4368, 2822 9534

New Delhi

205-207, Ansal Tower,
38, Nehru Place,
New Delhi – 110 019.
Phone: (91) (11) 4103 2506, 4103 3506

Coimbatore

09, Verivada Street, Red Fields,
Puliakulam, Coimbatore – 641 045,
Tamil Nadu.
Phone: (91) (422) 356 6556

Pune

802, Lloyds Chambers,
Dr. Ambedkar Road,Opp. Ambedkar Bhavan,
Pune – 411 011, Maharashtra.
Phone: (91) (20) 2605 0802

Goa

SF9, GHB Commercial-cum-residential complex, Journalist colony road, Alto Betim, Porvorim Berdez, Goa – 403251
Phone: (91) 98201 58575, (91) 98202 84584

Vadodara

Aurum Complex, 8th Floor, West Wing,
Behind HP Vasna Petrol Pump, Makrand Desai Road, Vadodara – 390007, Gujarat.
Phone: (91) 97268 95000, (91) 97278 95000

Hyderabad

Dwarka Pride, Plot No: 4/1, Survey No: 64
Huda Techno Enclave,
Madhapur Serilingampally Mandal,
Hyderabad – 500 081, Telangana.
Phone: (91) 97278 95000

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