CA INDIA

S S DHAMNE & CO
CHARTERED ACCOUNTANTS

UNION BUDGET 2024 – KEY TAKE AWAYS

Prepared by S. S. Dhamne & Co., Chartered Accountants

Chalisgaon | Pune | Chh. Sambhajinagar | Mumbai

INDEX

Sr. No	Content	Page No.
A	Introduction and brief on Economic Survey	4-6
B	Priorities as per Union Budget	7-11
C	India's Financial Position at a glance	12
D	Direct Taxes	13-18
E	Indirect Taxes	19-22
F	Major highlights of the IBC	23-24
G	Conclusion	24

About Us:

S. S. Dhamne & Co., Chartered Accountants we a firm registered with the Institute of Chartered Accountants of India, Statutory Body established under the Chartered Accountants Act, 1949. Firm is practicing with 40+ years of experience in providing services in the areas of Audit, Assurance and Attestation, Direct & Indirect Tax Advisory, Management and Financial Consultancy, Valuation and Insolvency & Bankruptcy related matters. We currently have offices in Chalisgaon, Pune, Chh. Sambhajinagar and Mumbai.

About Union Budget, 2024

We are excited to present a document, " Union Budget 2024 - Key Takeaways." This detailed analysis captures the critical elements and strategic initiatives presented by Honourable Finance Minister Nirmala Sitharaman on July 23, 2024. Our versatile team has tried to assess the Union Budget's impact across various sectors, delivering valuable insights for its clients, entrepreneurs and businessmen and the investors.

In this document, we provide a thorough breakdown of the budget, highlighting opportunities and potential challenges for the upcoming fiscal year. We also aim to equip you with quick insights to understand the various initiatives set forth by the government.

We invite you to explore our in-depth review document, to keep you at the forefront of economic developments and strategically positioned for success in 2024 and beyond. We will be glad to receive your Suggestions, Comments and feedback on admin@ssdca.in.

Wishing you all a Happy Reading!

Team SSDCA

A. Introduction and brief on Economic Survey

Pre-budget insights

As we prepare to unveil the Union Budget, it is essential to examine the economic landscape and the strategic priorities shaping our fiscal decisions. This pre-budget insight provides a thorough analysis of the current economic conditions, identifying both challenges and opportunities. By comprehending these factors, we can better understand the rationale behind the budget proposals and the government's dedication to promoting sustainable growth, inclusivity, and resilience for our nation.

State of the Economy: Steady as She Goes

India's economy has demonstrated resilience and stability amidst global challenges, consolidating its post-Covid recovery with robust fiscal and monetary policies. Fiscal year 2024 saw strong economic growth following previous high rates, with controlled inflation and improved trade metrics. India's real GDP grew by 8.2% in FY2024, driven by stable consumption demand and improving investment demand. The economy's momentum is expected to continue into FY2025. Public investment has supported capital formation, while the private sector shows promising signs of increased investment. However, sustaining this momentum amidst global uncertainties remains a priority.

Foreign Direct Investment (FDI) remained robust at USD 45.8 billion, slightly lower than the previous year's USD 47.6 billion, with profitable exits for private equity investors indicating a favourable investment climate. However, sustaining this momentum amidst global uncertainties, higher global interest rates, competitive industrial policies in developed economies, and geopolitical risks remains a priority for future growth.

The agriculture sector in India, vital for the nation's economy and farmers' livelihoods, receives substantial government support through subsidies, tax exemptions, and schemes like MSP and PM-KISAN scheme. Despite these efforts, policies at national and sub-national levels often conflict, impacting soil health, groundwater depletion, and environmental quality. Addressing these challenges through coherent policy reform could greatly benefit both farmers and the broader economy, restoring confidence in governance and fostering socio-economic gains. Amidst global shifts towards protectionism and technological advancements, reorienting agricultural policies could unlock higher value addition, increase farmer incomes, and drive food processing and export opportunities. By resolving existing policy complexities, India's agriculture sector has the potential to lead as a model for sustainable development worldwide.

Policies aimed at supporting small, medium, and large enterprises in India have faced challenges in translating intentions into desired outcomes. Previously, certain products were reserved for small-scale industries, a practice phased out due to its limited benefits. Recent efforts to formalize these enterprises are progressing, albeit slowly, particularly in improving access to finance. However, outdated mindsets and practices among buyers and creditors hinder the impact of these efforts. Enterprises continue to grapple with excessive compliance burdens, straining their finances and operational capacities, potentially stifling their growth ambitions.

Six key focus areas in Amrit Kaal - Boost private investment, expansion of MSMEs, Agriculture as growth engine, Financing green transition, bridging education-employment gap, and capacity building of states.

Here are the main insights from the Economic Survey of 2023-24:

1. **Economic Growth:**

   Fiscal Consolidation: India's fiscal deficit was reduced from 6.4% of GDP in FY23 to 5.6% in FY24. This was achieved through strong tax revenue growth and higher-than-budgeted non-tax revenue.

   Reduction in Macro Vulnerability: The macroeconomic vulnerability index showed a downward trend, reflecting stable fiscal, current account, and inflation metrics.

   GDP: Real GDP grows by 8.2 % in FY2024. Economic growth of 8.2% supported by industrial growth rate of 9.5%.

   Inflation: 28 States and 8 Union Territories witness inflation rate below 6 per cent. Central Government's timely policy interventions and the Reserve Bank of India's price stability measures helped maintain retail inflation at 5.4 per cent - the lowest level since the pandemic.

2. **Green Transition:**
   India makes progress on climate action and energy efficiency in the last Fiscal Year; 45.4% of the installed electricity generation is from non-fossil sources. India decouples economic growth from greenhouse gas emissions; GDP stands at 7% while emissions were at 4% between 2005-19.

3. **Agriculture:**

   Agriculture and allied sectors register average annual growth rate of 4.18% over last 5 years. Allied Agri sectors are emerging as robust growth centres and sources for improving farm incomes. Also, this growth of Agricultural Sector has helped the food industry to grow significantly. Investment in agriculture research contributes to food security; for every rupee invested, payoff of Rs. 13.85.

4. **Banking Sector:**

   India's banking and financial sectors have displayed a stellar performance in FY2024. RBI maintained a steady policy rate throughout the year with overall inflation rate under control. Monetary Policy committee (MPC) maintained the status quo on the policy repo rate at 6.5 per cent in FY2024. Inflation made to gradually align with its target while supporting growth. Credit disbursal by Scheduled Commercial Banks (SCBs) stood at Rs. 164.3 lakh crore, growing by 20.2% at the end of March 2024. Double-digit and broad-based growth in bank credit, gross and net non-performing assets at multi-year lows, and improvement in bank asset quality highlight the government's commitment to a healthy and stable banking sector.

B. Priorities as per Union Budget

Having thoroughly examined the pre-budget landscape, we now turn our attention to the key highlights of the budget in a detailed and innovative manner. This year's budget strategically balances fiscal prudence with forward-thinking investments to drive economic growth.

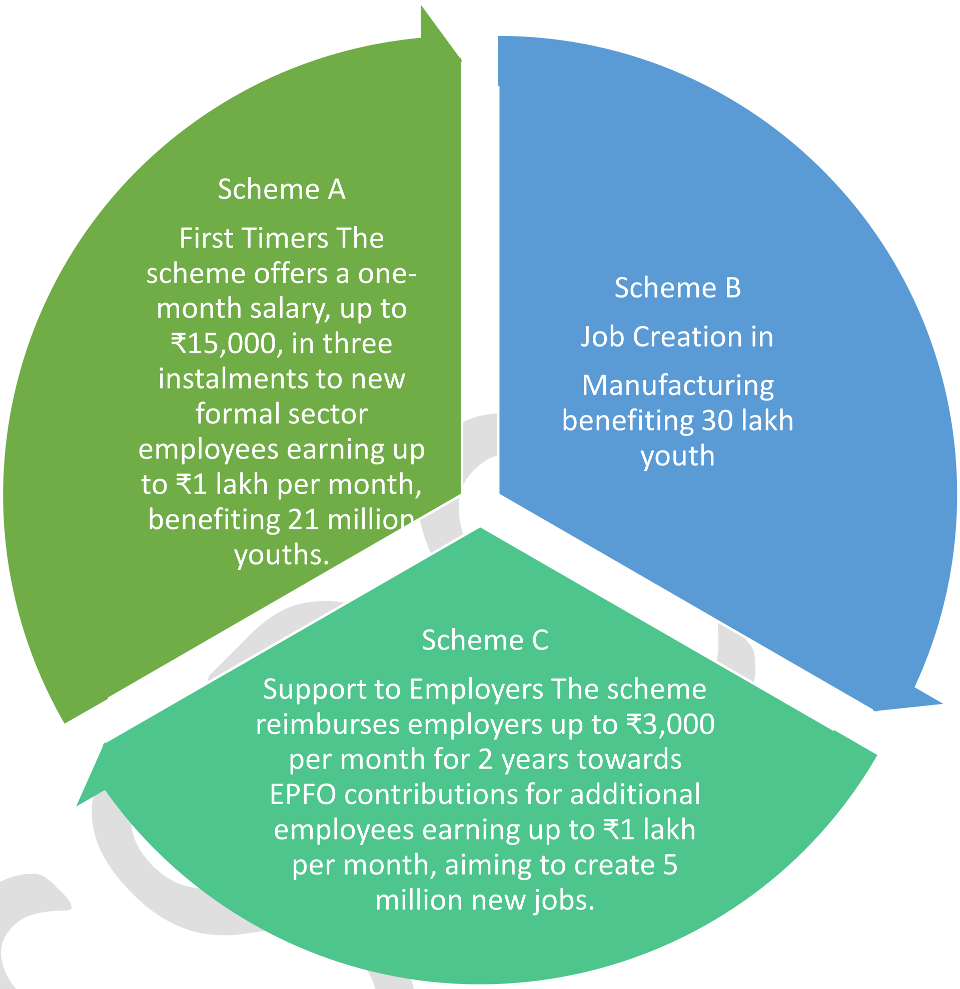
A detailed roadmap for our pursuit of '*Viksit Bharat'*. In line with the strategy set out in the interim budget, this budget envisages sustained efforts on the following **9 priorities** for generating ample opportunities for all.

Priority 1: Productivity and Resilience in Agriculture

1.Transforming Agriculture Research: Comprehensive review of agriculture research to enhance productivity and develop climate-resilient varieties, with challenge mode funding.	**2.Release of New Varieties:** 109 high-yielding and climate-resilient varieties of 32 crops will be released for farmers.	**3. Natural Farming:** 1 crore farmers will be initiated into natural farming over the next two years, with certification, branding, and 10,000 bio-input
4. Missions for Pulses and Oilseeds: Strengthening production, storage, and marketing to achieve self-sufficiency in pulses and oilseeds	**5.Vegetable Production & Supply Chains:** Large-scale vegetable production clusters near major consumption centres will be developed, promoting FPOs, cooperatives, and start-ups.	**6.Digital Public Infrastructure for Agriculture:** DPI will cover farmers and their lands within three years, with a digital crop survey in 400 districts and issuance of Kisan Credit Cards in five states.
7. Shrimp Production & Export: Financial support for Nucleus Breeding Centres for Shrimp Broodstocks and financing for shrimp farming, processing, and export through NABARD	**8. National Cooperation Policy**: A National Cooperation Policy will be introduced for comprehensive development of the cooperative sector to boost rural economic growth and employment	9. **Budget Allocation:** 1.52 lakh crore allocated for agriculture and allied sectors.

Priority 2: Employment & Skilling

Implementation of 3 schemes:



Other key takeaways:

1. Higher participation of women in the workforce by setting up of working women hostels.
2. Skilling programme for 20 lakh youth over a period of 5 years by upgrading 1,000 Industrial Training Institutes in hub and spoke arrangements with outcome orientation.
3. The revised Model Skill Loan Scheme will provide up to Rs. 7.5 lakh in loans with a government guarantee, assisting 25,000 students annually.
4. A scheme offering e-vouchers for up to Rs. 10 lakhs in loans for higher education, providing a 3% annual interest subsidy to 100,000 students each year.

Priority 3: Inclusive Human Resource Development and Social Justice

The government is prioritizing the all-round development of the Eastern region, including Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh. Road connectivity projects have been given top priority, with an estimated cost of Rs. 21,400 crores.

Priority 4: Manufacturing & Services

The budget prioritizes MSMEs and manufacturing, particularly labour-intensive sectors, with a comprehensive package that includes financing, regulatory changes, and technology support to enhance global competitiveness. Key measures announced are:

Credit Guarantee Scheme: Introduces a scheme for MSMEs to obtain term loans for purchase Plant & Machinery without collateral or third-party guarantee is introduced. backed by a self-financing guarantee fund. This scheme will pool credit risks and be supported by a self-financing guarantee fund that provides up to Rs. 100 crores in guarantee cover per applicant.

New Credit Assessment Model: Public sector banks will develop in-house capabilities to assess MSMEs for credit, moving away from external assessments. They will lead in creating a new credit assessment model based on MSMEs' digital footprints, improving over traditional methods that rely on asset or turnover criteria. This new model will also cover MSMEs without formal accounting systems.

Credit Support During Stress: A new mechanism will ensure continued bank credit to MSMEs during their stress periods, particularly when they are in the 'special mention account' (SMA) stage due to reasons beyond their control. This aims to prevent them from becoming non-performing assets (NPA).

Mudra Loans: Increases the limit for Mudra loans to Rs. 20 Lakh from Rs. 10 Lakh for entrepreneurs who have successfully repaid previous loans.

TReDS Platform: To help MSMEs unlock working capital by converting trade receivables into cash, the turnover threshold for mandatory onboarding on the TReDS platform will be reduced from Rs. 500 Cr to Rs. 250 Cr. This change will add 22 more CPSEs and 7,000 more companies to the platform, and will also include medium enterprises as suppliers.

E-Commerce Export Hubs: E-Commerce Export Hubs will be established in public-private partnership (PPP) mode to help MSMEs and traditional artisans sell their products internationally. These hubs will provide trade and export-related services under one seamless regulatory and logistic framework.

Priority 5: Urban Development

The government has prioritized urban development by facilitating development of ‘Cities as Growth Hubs’, Transit Oriented Development plans, by addressing housing needs of middle class and poor families by providing central assistance of Rs. 2.2 lakh crore in the next 5 years and by aiming at development of 100 weekly 'haats' or street food hubs in select cities.

Priority 6: Energy Security

The government has involved private sectors in nuclear energy and a joint venture between NTPC and BHEL will set up a full scale of 800 MW Commercial plant.

PM Surya Ghar Muft Bijali Yojana has been launched to install rooftop solar plants to enable 1 crore households to obtain free electricity up to 300 units every month. There are 1.28 registrations and 14 lakh applications so far.

Priority 7 and 8: Innovation, Research & Development and Infrastructure

A provision of Rs. 11,11,111 crores for capital expenditure (3.4 % of GDP) and another provision of Rs. 1.5 lakh crore for long-term interest free loans has been made this year also to support the states in their resource allocation. Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations which have become eligible in view of their population increase. Further, with the continued emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of Rs. 1,000 crores will be set up.

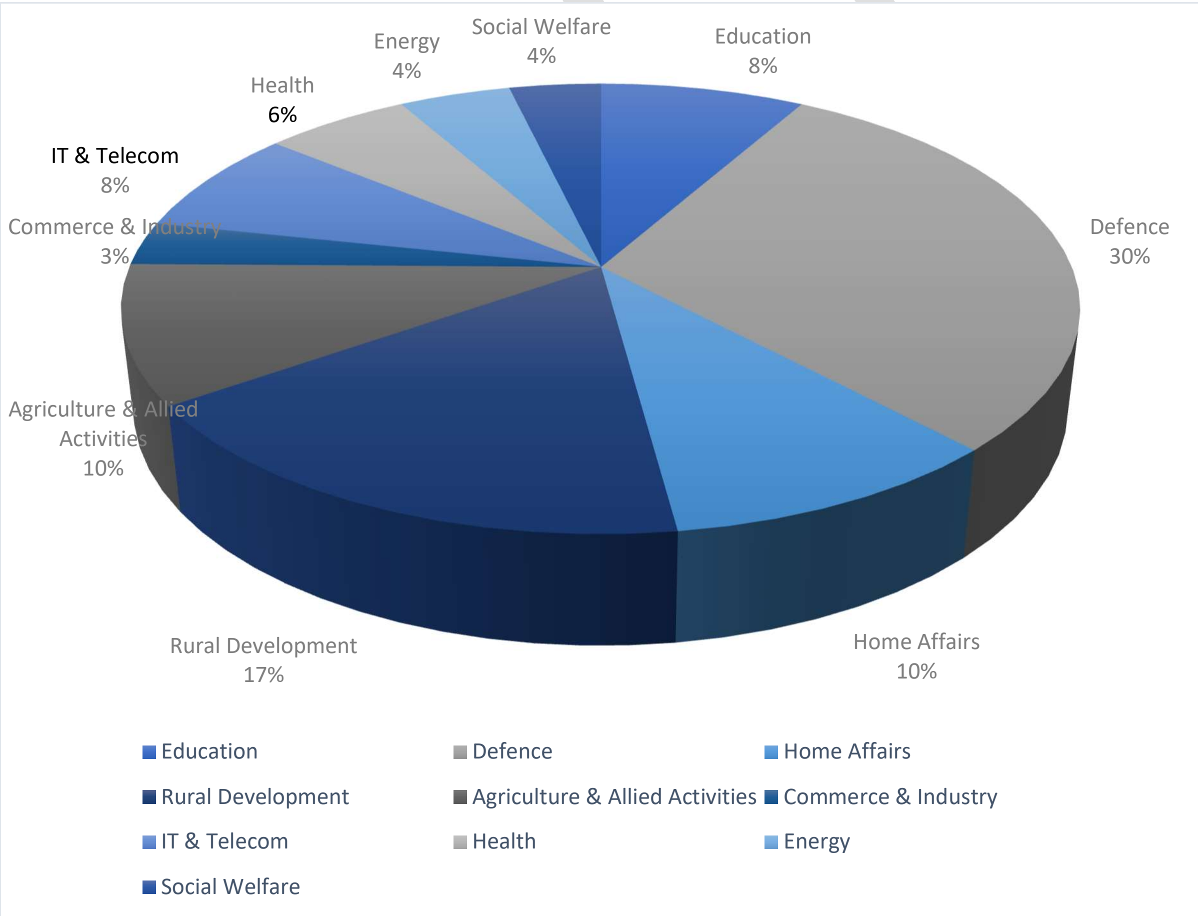
Priority 9: Next Generation Reforms

The land reforms in urban areas will be digitised with GIS mapping and a land registry shall be established. A unique land parcel Identification Number or Bhu-Aadhaar for all lands shall be implemented.

C. India's Financial Position at a glance

Estimated Total Receipts FY 24-25	Estimated Total Expenditure FY 24-25	Estimated Fiscal Deficit FY 24-25
• Rs.32.07 Lakh Crores	• Rs.48.21 Lakh Crores	• 4.9% of GDP

Expenditure allocation in a glimpse



Having reviewed the key sector-wise takeaways, we now shift our focus to the significant changes and amendments that have been implemented in both Direct and Indirect taxes.

D. Direct Taxes:

Following are the insights on the changes introduced with respect to the earlier provisions:

1. **New Tax regime u/s 115BAC with new tax slabs and tax rates is introduced:**

Rate of tax	Old Tax Slab	Revised Tax Slab
Nil	Up to Rs. 3,00,000	Up to Rs. 3,00,000
5 %	Rs. 3,00,001 to Rs. 6,00,000	Rs. 3,00,001 to Rs. 7,00,000
10 %	Rs. 6,00,001 to Rs. 9,00,000	Rs. 7,00,001 to Rs. 10,00,000
15 %	Rs. 9,00,001 to Rs. 12,00,000	Rs. 10,00,001 to Rs. 12,00,000
20 %	Rs. 12,00,001 to Rs. 15,00,000	Rs. 12,00,001 to Rs. 15,00,000
30 %	Above Rs. 15,00,000	Above Rs. 15,00,000

2. **Following provisions were amended to provide tax saving benefits to the taxpayers:**

Section No.	Old Provision	Revised Provision	Impact
Sec. 16(ia)	Standard Deduction to salaried individuals and pensioners amounting to Rs. 50,000 under new tax regime.	Standard Deduction to salaried individuals and pensioners amounting to **Rs. 75,000** under new tax regime.	Deduction limit has been increased by Rs. 25,000. Which will help the salaried assessees in tax savings.
Sec. 57(iia)	Deduction from family pension amounting to Rs. 15,000 under the new tax regime.	Deduction from family pension amounting to **Rs. 25,000** under the new tax regime.	Deduction limit has been increased by Rs. 10,000.
Sec. 80CCD(2)	A salaried individual to claim the following deduction (a) Central Government or State Government Employer: Up to 14% of their salary (basic + DA) any other employer: Maximum deduction of 10% of salary (basic + DA)	A salaried individual to claim the following deduction (a) Central Government or State Government Employer: Up to 14% of their salary (basic + DA) any other employer: Maximum deduction of **14%** of salary (basic + DA)	The amendment of change in deduction from 10% to 14% will lead to increase in employee's income being exempt from tax and leading to lower tax liability.

Section No.	Old Provision	Revised Provision	Impact
Sec 115	Corporate Tax on income of Foreign Companies (Other than those chargeable at special rates) @ 40%	Corporate Tax on income of Foreign Companies (Other than those chargeable at special rates) **@ 35%**	A decrease in the corporate tax rate for foreign companies can attract more foreign investment
Sec. 56(2)(viib)	Where a closely held Indian company receives any consideration for issue of shares that exceeds the face value of such shares as well as the fair market value of the shares, then the excess consideration received over the fair market value of the shares would become chargeable to income-tax for the Indian company under the head 'Income from other sources'.	Angel Tax related to **tax on share premium** of private companies shall **not apply** from the Financial Year 2024-25.	It can boost startup investments, increase both domestic and foreign funding.
Sec 111	Short term gains on specified financial assets shall henceforth attract a tax rate of 15%.	Short term gains on specified financial assets shall henceforth attract a tax rate of 20%. This amendment is implemented immediately, effective from **23rd July 2024.**	Higher tax rates on short-term gains might discourage frequent trading and speculative activities, leading to a longer-term investment approach and increase in the Tax burden of the Investors.
Sec. 112 & Sec. 112A	Long Term Capital Gains under section 112A is taxed @10% on all financial assets like STT paid listed equity shares, units of equity oriented mutual funds, and for all other assets @20% with indexation	The rate of Long-Term Capital Gains is taxed **@12.5% without Indexation.** However, an exemption of gains upto **Rs. 1.25 Lakhs** is allowed. This amendment is implemented	Benefit of Indexation has been removed. Earlier, taxpayer had the discretion to select between different tax rates and the benefit of indexation. Also, increase in the exemption threshold

Section No.	Old Provision	Revised Provision	Impact
	under section112. However, an exemption of gains upto Rs. 1Lakhs is allowed.	immediately, effective from **23rd July 2024.**	from Rs. 1 Lakh to Rs. 1.25 Lakhs allows small investors to save more on taxes.
Sec. 40(b)	The limit of remuneration to working partners to Rs. 1,50,000 or 90 per cent of the book-profit, whichever is more, on the first Rs. 3,00,000 of the book-profit or in case of a loss.	The limit of remuneration to working partners to **Rs. 3,00,000** or 90 per cent of the book-profit, whichever is more, on the first **Rs. 6,00,000** of the book-profit or in case of a loss.	Since the remuneration paid to partners is deductible as an expense from the firm's income, this reduces the taxable income of the firm, thereby lowering the tax liability.
Sec. 10	Income from buy-back of shares by companies be chargeable as additional income-tax in the hands of the company.	Income from **buy-back of shares** by companies be chargeable in the hands of **recipient** investor as dividend.	This will result in capital loss in the hands of shareholders on the shares which have been brought back which can be further claimed against Capital Gain on shares.
Securities Transaction Rules, 2004- Rule 3	Rates of STT on sale of an option in securities @ 0.0625% on the options, and on sale of a futures in securities @ 0.0125% of the price at which such futures are traded.	Rates of STT on sale of an option in securities **@ 0.1%** of the **option** premium, and on sale of a **futures** in securities @ **0.02%** of the price at which such futures are traded.	The rise in STT will elevate the overall cost of trading futures and options, which can impact profitability for traders and investors.
Sec. 10	Equalisation Levy at the rate of **2** per cent of consideration received for e-commerce supply of goods or services.	Equalisation Levy is **not applicable** on consideration received for e-commerce supply of goods or services.	Foreign digital companies that previously faced equalisation levy will see reduced tax burden as they no longer have this additional tax liability.
Sec. 194Q & Sec. 206C(1H)	-	Application for lower deduction / collection certificate of tax for section 194Q and	Taxpayers can apply for certificates to lower the amount of tax deducted or collected at source,

Section No.	Old Provision	Revised Provision	Impact
		section 206C(1H) is allowed.	which can help in managing cash flow and reducing immediate tax liabilities.
Sec 37	-	Income tax paid outside India by way of deduction is deemed to be income received for the purpose of computing the income of the assessee.	Earlier it was included in the Gross Total Income of the assessee.
Sec. 206	**Section 206:** A person who fail to collect tax or after collecting shall be liable to pay simple interest @ 1% for every month or part thereof on amount of such tax from the date on which such tax was collected.	A person who fails to collect tax or after collecting fails to deposit the same shall be liable to pay simple interest **@ 1.5%** for every month or part thereof on amount of such tax from the date on which such tax was collected.	To keep it in line with the TDS Provisions, rate of interest on late payment of TCS has been increased.
Sec. 194T	*Newly inserted section*	Payments such as Salary, remuneration, commission, bonus and interest to any account (including capital) of the **partner of Firm** for aggregate amounts more than Rs. 20,000 in the financial year. TDS shall be deducted **@ 10%.**	Introduction of TDS on payments to partners exceeding Rs. 20,000 will increase compliance and administrative requirements, impact cash flow for both firms and partners. Sec 194T will take effect from **1st April 2025**.
Sec. 2(42a)	Holding Period of Assets to be classified as Long-Term Assets: **12 Months:** Listed Equity Shares, Listed equity Oriented Mutual Funds	Holding Period of Assets to be classified as Long-Term Assets: **12 Months:** Listed Equity Shares, Listed equity Oriented Mutual Funds, Listed Business Trusts.	Classification criteria for Capital Assets has been changed.

Section No.	Old Provision	Revised Provision	Impact
	24 Months: Unlisted Equity Securities, Immovable property. **36 Months:** Listed Business Trusts, Bonds, Debentures, Gold.	**24 Months**: Unlisted Equity Securities, Bonds, Debentures, Gold and Immovable property.	

3. **Revised TDS Rates were introduced in the Budget which are as follows:**

Section	Present TDS Rate	Revised 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 194F- Payments on repurchase of units of mutual funds or UTI	20%	Omitted	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 individual 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 194O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	1.10.2024

Direct Tax Vivad se Vishwas Scheme 2024:

The 2024 Scheme enables settlement of pending disputes under Income Tax Act, 1961. Inspiration for implementation of this scheme is drawn from the success of the previous Direct Tax Vivad Se Vishwas Act, 2020 in the applicability, procedure and manner of settlement of dispute. The date from which the taxpayers can begin to settle their disputes as well as the sunset date, are yet to be notified by the government.

The 2024 Scheme is being implemented due to an increased number of pending disputes which are arising because of higher number of cases going for appeal than disposal of these cases. This scheme can be availed by taxpayers in disposal of appeals pending before the appellate authorities.

E. Indirect Taxes:

Revised tax rates for customs duty were introduced to support domestic manufacturing, deepen local value addition, promote export competitiveness, and simplify taxation.

1. Following Amendments were introduced to the CGST Act, 2017 and the similar power is being proposed in IGST Act, UTGST Act GST (Compensation to States) Act.

Section No.	Old Provision	Revised Provision	Impact
Sec. 9	Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services 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 and at such rates, not exceeding 20%.	Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption and Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding 20%.	This has resulted in supply of Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption out of the purview of GST.
Sec. 16(5) & Sec. 16(6)	*Newly inserted Section*	(i) 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 input tax credit in any return under section 39 which is filed upto the 30th day of November, 2021 (ii) 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	New sub-sections (5) and (6) are inserted in section 16 of CGST Act. This will relax the time limit of claiming the Input Tax Credit for the Taxpayers. Also note that this section shall apply **retrospectively**.

Section No.	Old Provision	Revised Provision	Impact
		registered person within thirty days of the order of revocation of cancellation of registration.	
Sec 74(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 50% 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.	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 50% of such tax within **Sixty days** of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded.	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.
Sec. 74(A)	*Newly inserted Section*	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 requiring him to show cause as to why he should not pay the amount specified in the notice **from FY 2024-25.** Limitation for issuance of show cause notice u/s 74A (irrespective of charges of fraud, willful misstatement or suppression) stipulated as **42 months** from the due date of filing Annual Return.	The provisions of Section 73 and 74 shall only be applicable for determination of tax pertaining to the period upto FY 2023-24, and from FY 2024-25 onwards it will be determined as per section 74A.
Sec 112	No appeal shall be filed under sub-section (1), unless the appellant has paid—	No appeal shall be filed under sub-section (1), unless the appellant has paid—	Reducing the pre-deposit requirement lowers the

Section No.	Old Provision	Revised Provision	Impact
	(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and (b) a sum equal to 20%. 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 Rs. 50Cr], in relation to which the appeal has been filed.	(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him, and (b) a sum equal to **10%.** 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 **Rs. 20Cr**], in relation to which the appeal has been filed.	financial barrier for filing GST appeals, making it easier for businesses to challenge decisions without having to commit a large amount of capital upfront.
Sec 17(5)(i):	Notwithstanding anything contained in sub-section (1) of section 16 and sub- section (1) of section 18, input tax credit shall not be available in respect of any tax paid in accordance with the provisions of sections 74, 129 and 130.	Notwithstanding anything contained in sub-section (1) of section 16 and sub- section (1) of section 18, input tax credit shall not be available in respect of any tax paid in accordance with the provisions of sections 129 and 130.	Clause (i) of Section 17 of CGST Act is being amended to restrict blockage of input tax credit for tax paid under **Section 74** for demands **pertaining up to FY 2023-24.**

2. **On following commodities Basic Customs Duty and Export Duty was reduced:**

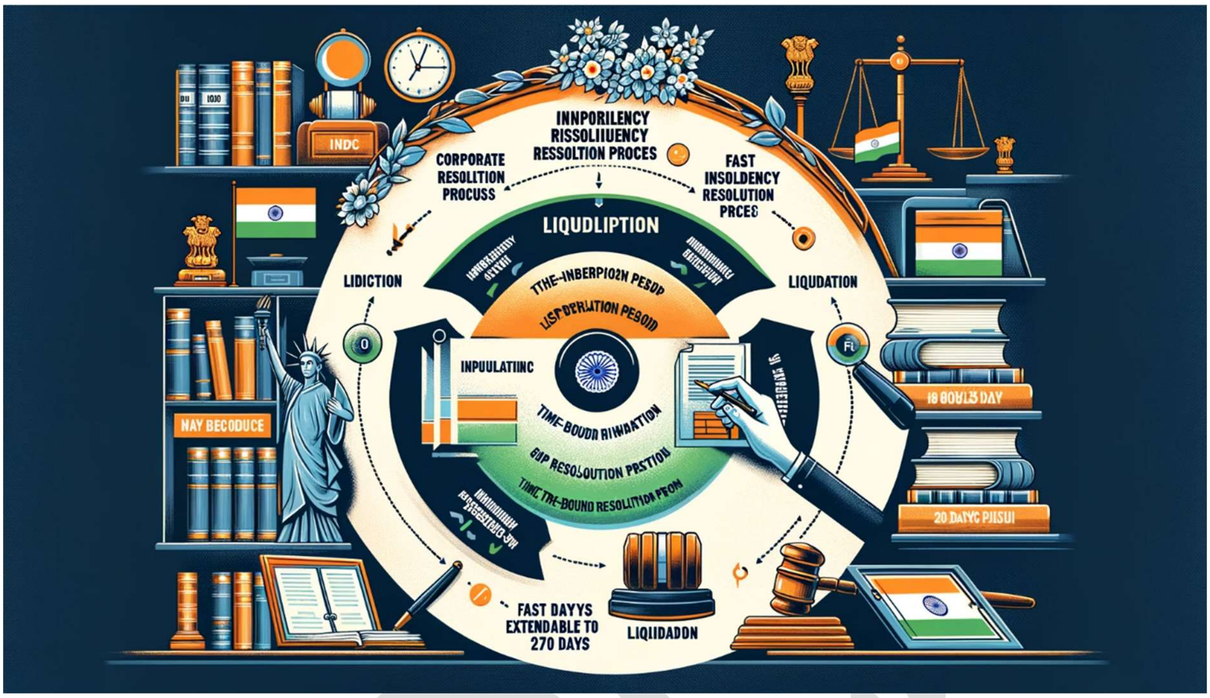
Sr. No.	Particulars	Old Rates	Revised Rates
A.	**Basic Custom Duty**		
1.	Mobile Phones, Mobile PCBA, Mobile Chargers	20%	15%
2.	Broodstock, shrimp and fish feed	10%	5%
3.	Single Cell Protein from Natural Gas for use in R&D for aquatic feed manufacturing	15%	5%
4.	Graphite, Silicon Dioxide, Silicon Quartz	7.5%	2.5%
5.	Gold Bar, Silver Bar, Coins of Precious Metals, Gold/silver findings	15%	6%
6.	Gold Dore, Silver Dore	14.35%	5.35%

Sr. No.	Particulars	Old Rates	Revised Rates
7.	Platinum, Palladium, Osmium, Ruthenium, Iridium	15.4%	6.4%
8.	MDI for manufacture of spandex yarn	7.5%	5%
9.	Real Down Filling material from duck or goose for use in manufacture of textile or leather garments for export	30%	10%
10.	Cellular Mobile Phone, Charger/Adapter of cellular mobile phone, Printed Circuit Board Assembly (PCBA) of cellular mobile phone.	20%	15%
11.	X-ray tubes and Flat panel detectors (including scintillators) for use in manufacture of medical, surgical, dental or veterinary X-ray machines	15%	5% (till 31.03.25) 7.5% (1.04.25 to 31.03.26) 10% (1.04.26 onwards)
B.	**Export Duty**		
1.	Raw fur and skins including lamb fur skin	60%/10%	40%
2.	Wet Blue Chrome Leather, Crust Leather	40%	20%
3.	Tanned fur skin	60%	20%

3. **On the following commodities Basic Customs Duty, tariff rates, export duties were increased:**

Sr. No.	Particulars	Revised Rates	Old Rates
A.	**Customs Duty**		
1.	PVC Flex Films/Flex Banners	25%	10%
2.	Ammonium Nitrate	10%	7.5%
3.	Solar Glass for manufacture of solar cells or modules	10%	Nil
4.	Laboratory Chemicals (under heading 9802)	150%	10%
5.	Tinned Copper Interconnect for manufacture of solar cells or modules	5%	Nil
6.	PCBA of specified telecom equipment	15%	10%
7.	Garden Umbrella	20% or Rs. 60 per piece whichever is higher	20%
B.	**Tariffs**		
	Other roasted nuts and seeds, including areca nuts, Other nuts, otherwise prepared or preserved	150%	30%

F. Major highlights of the IBC



An Integrated Technology Platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.

1. Role of IBC in India

The Insolvency and Bankruptcy Code (IBC) has successfully resolved the insolvency of over 1,000 companies. This led to a direct recovery of more than Rs. 3.3 Lakh Crores for creditors. Additionally, the IBC has facilitated the disposal of 28,000 cases, involving claims exceeding Rs. 10 Lakh Crores, even before they reached the admission stage. This pre-admission resolution has significantly reduced the burden on the judicial system and expedited the settlement process for numerous stakeholders.

2. NCLTs & Debt Recovery Tribunals (DRTs):

To further enhance the efficiency of the insolvency resolution process, appropriate amendments will be made to the IBC. These reforms will include strengthening the existing tribunal and appellate tribunals to ensure they can handle cases more swiftly. Additionally, new tribunals will be established to increase the capacity for resolving insolvency cases and speed up the recovery process i.e. the Debt Recovery Tribunals. Some of these new tribunals will be specifically designated to handle cases under the Companies Act, ensuring focused and specialized adjudication. These measures aim to expedite insolvency resolutions and improve the overall effectiveness of the IBC framework.

3. Voluntary Closures of LLP:

The services of the **Centre for Processing Accelerated Corporate Exit (C-PACE)** will be expanded to include the voluntary closure of LLPs, aiming to shorten the time required for their closure.

The Ministry of Corporate Affairs (MCA) had established C-PACE to centralise the strike off process of companies. The establishment of the C-PACE has helped to reduce the stress on the Registry along with keeping the registry clean besides availability of more meaningful data to the stakeholders. The C-PACE has also benefited the stakeholders by providing a hassle-free filing, timely and process-bound liquidation of their company's names from the Register. Now, C-PACE is also extended for the Voluntary closure of LLP which will centralise the strike off process of LLP's as well.

G. Conclusion

This Union Budget represents a significant step towards realizing our vision of a **Viksit Bharat**. By prioritizing infrastructure development, regional growth, and targeted social programs, the government is laying the groundwork for a more inclusive and prosperous future. The strategic focus on transforming the Eastern region and supporting economic opportunities reflects a commitment to balanced development across all corners of the nation. Investments in rural areas and expanded banking access further demonstrate a dedication to reaching every citizen. This budget is not just a financial roadmap but a bold blueprint for advancing innovation, ensuring social justice, and steering our nation towards a thriving, equitable future.

S. S. Dhamne & Co., Chartered Accountants	
Head Office *1st Floor, Captains Corner, Bhadgaon Road, Chalisgaon- 424101 (Dist. Jalgaon)* *Tel No.: (02589) 222151* *Email: ssdhamane@ssdca.in*	***Pune*** *10, Shreeban, Opp. Police Ground, F.C. Road, Shivajinagar, Pune-411016* *Tel No.: 020-25665551/ 1551* *Email: abhishekdhamne@ssdca.in*
Chh. Sambhajinagar *5, Shankara Residency, Ulka Nagari, Ch. Sambhajinagar (Aurangabad)- 431005* *Email: shubhada.dhamne@ssdca.in*	***Mumbai*** *Office No. 45, Rajgir Chambers, Opp. Old Custom Office, Shahid Bhagat Singh Road, Fort, Mumbai 400 001* *Email: abhishekdhamne@ssdca.in*