

SINGHVI
DEV & UNNI LLP
CHARTERED ACCOUNTANTS
|||||

India Budget 2024

Does its Simplicity and Certainty guide Business growth?

A review of tax proposals

www.sdu.works

Bengaluru | Mumbai | Hubballi

PREAMBLE

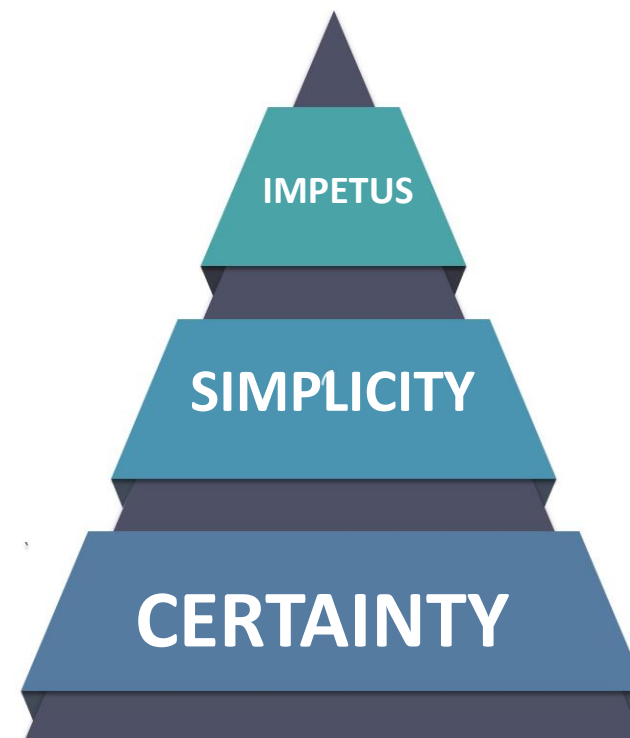
The Economic Survey has stated “Corporates benefit from the higher demand generated by employment and income growth. The financial sector benefits from channelling household savings for investment purposes. These linkages must grow stronger and last longer to meet the infrastructure and energy transition investments in the coming decades. Short-termism can weaken these linkages.”

In this backdrop, the Hon’ble Finance Minister has presented the India Budget 2024-25. The clear themes emerging are her commitment to *SIMPLICITY* and *CERTAINTY*.

Simplicity is proposed by (a) reducing number of rates (b) bringing uniformity in regimes (c) easing the tax determination.

Certainty is proposed to be achieved through (a) reduction in time frames for tax litigations (b) enhanced support to make-in-India through rationalisation of certain duty rates.

This communique outlines our comments on the Finance Bill, 2024 in the above backdrop.



THE STEPS FOR CERTAINTY

In relation to income tax, the FM mentioned has proposed to complete a comprehensive review of the Income Tax Act in six months and revamp the same for providing tax certainty. While the same is awaited, the key proposals made in this direction are:

- Statute of limitations on re-assessments for 5 years, which also triggers when the income escaping assessment exceeds Rs. 50 lakhs. The earlier provisions contemplated 10 years with the same monetary threshold.
- The search and seizure provisions have been revamped to re-introduce the block assessment concept. Undisclosed income for this scheme is defined to include any money, bullion, jeweller or other valuable article or thin or any expenditure or any income based on any entry in the books of account or other documents or transactions. Such undisclosed income identified pursuant to search would be taxable at 60%. The Proposals appear a re-enactment of a scheme that was regarded in 2003 as having 'failed in its objective of early resolution'.
- The reassessment provisions have been recast primarily to exclude search provisions from the reassessment provisions which are now part of the new scheme outlined previously. The provisions in their current form continue to have drafting issues are likely to result in prolonged litigation on jurisdiction and procedural matters.
- On the other hand, existing difficulties in taxpayer services, such as pendency of appeals, release of refunds in excess of Rs. 20 lakh, extreme complexity and uncertainty of tax provisions for NPIs etc. continue to remain.

On the indirect taxes, the key proposals towards achieving certainty are:

- **GST discharged under RCM:** Another proposal in this regard is the timing for claim of ITC in respect of GST discharged under RCM. The eternal debate of whether it is the date of supplier invoice, date on which the self-invoice should have been raised by the recipient or should it be

While the intent augurs well, a lot more is yet to be done to build a strong foundation of certainty in the taxation systems.

the date of payment, is set to rest. Going forward, it will be the date on which the self-invoice is raised irrespective of the date on which it ought to have been raised!

- **More input credits under GST:** GST liabilities identified as part of any proceedings by the tax office and discharged thereafter would also be entitled to input credit. The restriction that if it was discharged on account of frauds or misrepresentations, detention or confiscation of any goods or conveyances is removed.
- **Additional time limits to claim ITC for the initial 3 years of GST:** For the FYs 2017-18, 2018-19 and 2019-20, credits will be allowed as long they were claimed before the extended timeline of 30.11.2021.
- **Determination of tax liabilities under a single provision:** Differential timelines for issue of notice and concluding the proceedings in normal cases and those involving fraud or misrepresentations is done away with. The time limit of 33 and 54 months to issue show cause notices is now reduced to 42 months uniformly in both cases.

THE STEPS FOR SIMPLIFYING

- **Simplified holding periods and uniform rates for capital gains:** We will now have only two holding periods, 12 months for listed securities and 24 months for all other assets, to determine whether the income is from short-term or long-term capital gains. Further, while the rate of tax on LTCG will be uniform for all asset classes at 12.50%, the tax on STCG for financial assets will be at 20% and 30% for all other assets.

The reduction in the holding period from 36 months to 24 months for immovable property and asset classes other than shares is expected to render computation of capital gains tax liabilities simple.

- **Streamlining Procedures for non-profit institutions ('NPIs'):** Transitioning all trusts to a single unified regime is a welcome proposal. We can hope that the provisions on sunset of one of the two regimes are a first step towards simplifying the complex provisions of taxation of NPIs.
- **Easing the impact of withholding taxes on cash flows:** TDS rates have been rationalized. Reduction in the rate from 5% to 2% for rental payments, insurance commission, lottery commission and brokerage are amongst the most relevant ones.

This reduction in TDS rates (*mostly effective from 01.10.2024*) would positively contribute to the cashflows especially for the smaller taxpayers. Additionally, the convergence of TDS rates is expected to reduce the compliance burdens. A facility for nil / lower deduction certificate for TDS / TCS on purchase of goods is also introduced.

One more significant proposal is to provide for credit of TCS and TDS on other income streams for salaried employees. This would also contribute as additional funds for the salaried tax payers.

Overall, the FM's steps of announcing the revamp of the Income Tax Act and the measures proposed on make the rates uniform and rationalisation of WHT provisions should bring simplicity in compliance.

However, firm steps to address the issues faced by taxpayers while using the digitised processes (CPC, GST) is the most critical need of the hour for 'Simplicity' in tax compliance management.

- **Self-certification of CoO:** Import of goods at concessional rates under FTAs can now be under a self-declaration or a self-certificate from the overseas supplier. Hitherto, the procedure and documentation required such certificates-of-origin only from designated / notified agencies in the exporting country.
- **Pre-deposit for litigation reduced under GST:** The pre-deposit of disputed taxes for appeals before the Tribunal is reduced from 20% to 10% of disputed taxes. Additionally, the absolute cap on such pre-deposits is also reduced to Rs. 20 Crores from Rs. 50 Crores.
- **Authorised representatives can appear in response to the Summons:** Summons which hitherto required only the person named therein to appear before the tax office is now relaxed. Any authorised representative may also appear and participate in the proceedings.

THE IMPETUS MEASURES

- **Increase in disposable income for the middle strata of society:** The Finance Bill, 2024, brings a significant overhaul in tax rates and related provisions, aiming to simplify and reduce the tax burden on individual taxpayers and certain sectors. For individuals and HUFs under the new regime, the tax slabs have been enlarged - 5% slab is increased to Rs. 7,00,000. Alongside these changes, the standard deduction for salaried taxpayers under the new tax regime has also been enhanced from Rs. 50,000 to Rs. 75,000, providing further relief.
- **Boost to retirement savings:**
 - Enhanced Family Pension Deduction: The deduction on family pensions is proposed to be increased from Rs. 15,000 to Rs. 25,000 for those opting for the new tax regime.
 - Employer Contribution to Pension Schemes: There is a proposed increase in the limit for employer contributions to pension schemes from 10% to 14% of the salary.
- **The Start-up stress reduced:** The contentious 'Angel Tax', which taxed the excess consideration received for shares over their fair market value, is abolished.

Caution should be noted that on field, in select instances, tax officers have also invoked powers to enquire on the source of investments. Guidelines to streamline the situations where the start-ups could be questioned on the source of funds would augur well.

- **Encouraging 'business' and 'stay' in India:** The alignment of tax rates between residents and non-residents aims to remove discrepancies in the tax treatment and discourage 'residency' based tax planning.

The tax rate for foreign companies is reduced to 35% from 40%. Additionally, the abolition of Equalisation Levy 2.0 will also significantly benefit foreign e-commerce operators. However, this re-surfaces the uncertainty in the applicability of withholding tax provisions on such supplies.

- **IFSC:** The extension of tax incentives to units located in the International Financial Services Centre (IFSC) by expanding exemptions to include retail funds and Exchange Traded Funds (ETFs), the government aims to attract more global financial players. The Bill also proposes tax concessions for Core Settlement Guarantee Funds, enhancing the appeal of the IFSC as a global financial hub.
- **Tourism:** To boost cruise tourism, the bill introduces a presumptive taxation regime for non-resident cruise-ship operators, deeming 20% of their income as profits. This simplification along with an exemption on lease rentals for certain foreign companies, aims to make India a more attractive destination for international cruise lines. Such measures are expected to spur investment in the tourism sector, generating employment and economic growth. Akin to incentives for aircraft leasing from IFSC introduced last year, it is expected that this incentive boosts domestic leasing and operation of cruises.

WHY THESE?

- **Taxes to be bolstered from Capital Market Transactions:** The Bill proposes for an increase in rates for capital gains and securities transactions. STCG tax is increased to 20% and LTCG tax to 12.5%, impacting the market transactions for equity capital. The securities transaction tax on options and futures is also increased to 0.1% and 0.02%, respectively. Nonetheless, it also provides for a marginal benefit through an increase in the exemption limit for LTCG on STT paid equity shares, units of equity-oriented funds, and business trusts from Rs. 1,00,000 to Rs. 1,25,000.
- **Buy-back deemed as dividend:** In an interesting articulation of the law, buy-back payouts are proposed to be treated as dividends, thereby taxing shareholders on the income received from such buy-backs. This measure aims to ensure uniform tax treatment for different methods of profit distribution and curb tax avoidance through share buy-backs.

However, this proposal appears to not consider situations where the buy-back is purely based on commercial reasons and more importantly from proceeds raised as share premiums / fresh issuance, which would not constitute accumulated profits resulting in dividends. Whether proceeds from share premiums / fresh issuance should also be similarly treated requires clarity.

- **Income from unlisted debentures and bonds:** The capital gains from unlisted bonds and debentures will be taxed as STCG regardless of their holding period, similar to any debt instrument. CCDs or CCBs being common financing instrument for large scale investments (including foreign investments) this proposal does not appear to augur well.

- **Rental income always house property:** The Bill proposes that rental incomes from residential houses will always be taxed as income from house property and cannot be construed as business income. While, this is proposed to curb tax avoidance, it may not augur well for emerging business models in the housing sector.

Where, the Economic Survey highlighted the need for strengthening the Financial Markets for channelising investment savings, was this needed now?

IN CONCLUSION

The simplicity measures are well directed. However, on certainty and business impetus more could be done.

Certainty in legislative positions have been given amiss and may be in light of the revamp of the income-tax laws in six months. Further there appears little on the tax proposals for encouraging employment generation and climate sustainability,

Mere simplification would not suffice, certainty would need to be experienced, business would need to thrive. A fair balance act, but did we not need impetus!

DIRECT Tax Proposals

RATES OF INCOME-TAX

PERSONAL TAX RATES (EFFECTIVE FY 2024-25)

For FY 2024-25, the tax rates for individuals, Hindu Undivided Families, association of persons (other than a co-operative society), body of individuals and artificial judicial person, **under the new tax regime**, is as follows:

Total Income (INR)	Rate of Tax
Up to INR 3,00,000	Nil
From INR 3,00,001 to INR 7,00,000	5%
From INR 7,00,001 to INR 10,00,000	10%
From INR 10,00,001 to INR 12,00,000	15%
From INR 12,00,001 to INR 15,00,000	20%
Above INR 15,00,000	30%

For availing the above tax rates, the taxpayer will have to forego specified exemptions and deductions.

The new tax regime is proposed as the default tax regime for taxpayers. For taxpayers who wish to opt out of the new tax regime, such option is to be exercised at the time of filing of return of income every year. In case of taxpayers who earn income from business or profession who opt out of the new tax regime, the option of opting back to the new tax regime can be exercised only once.

The above taxable income slabs apply to all individuals irrespective of age. Hence, the basic exemption limit for senior and super senior citizens under the new tax regime will also be Rs. 3,00,000.

Under the new tax regime, the existing rebate on taxes on income up to Rs. 5,00,000 has been increased to Rs. 7,00,000.

The tax computed as above under the new tax regime will be increased by surcharge as follows:

Total Income (INR)	Rate of Surcharge
Exceeding Rs. 50 Lakhs but less than Rs. 1 crore	10%
Exceeding Rs. 1 crore but less than INR 2 crores	15%
Exceeding Rs. 2 crores (including dividend and capital gains income)	15%
Exceeding Rs. 2 crores (excluding dividend and capital gains income)	25%

Where taxpayers wish to, not avail of the above regime, the existing slab rates would apply for different 'types' of individual taxpayers such as senior citizens and super-senior citizens. The rate of surcharge in such cases would be as follows:

Total Income (INR)	Rate of Surcharge
Exceeding Rs. 50 Lakhs but less than Rs. 1 crore	10%
Exceeding Rs. 1 crore but less than Rs. 2 crores	15%
Exceeding Rs. 2 crores but less than Rs. 5 crores (excluding dividend and capital gains income)	25%
Exceeding Rs. 5 crores (excluding dividend and capital gains income)	37%
Exceeding Rs. 2 crores (including dividend and capital gains income)	15%

The amount of tax computed and surcharge will be further increased by 'Health and Education Cess' of 4%.

CORPORATE TAX RATES (EFFECTIVE FY 2024-25)

There are no changes proposed in corporate tax rates by the Finance Act 2024. The tax rate for corporates whose turnover is less than Rs. 400 crores in FY 2022-23 is 25%. In all other cases, the rate is 30%.

Additionally, surcharge would be applicable as follows (except those opting for taxation under sections 115BAA and 115BAB of the Act):

Total Income (INR)	Surcharge
Exceeding Rs. 1 crore but less than Rs. 10 crores	7%
Exceeding Rs. 10 crores	12%

Special tax rates applicable in case of domestic companies are as follows:

Domestic Company	Tax Rate
Where opted for Section 115BAA	22%
Where opted for Section 115BAB	15%
<i>Rate of surcharge in case of a company opting for taxability under Section 115BAA or Section 115BAB is 10% irrespective of amount of total income.</i>	

In case of foreign companies, the tax rate continues is reduced to 35%.

The surcharge is as follows:

Total Income (INR)	Surcharge
Exceeding Rs. 1 crore but less than Rs. 10 crores	2%
Exceeding Rs. 10 crores	5%
<i>Amount of tax computed and surcharge will be further increased by 'Health and Education Cess' of 4%.</i>	

MEASURES TO PROMOTE INVESTMENT AND EMPLOYMENT (EFFECTIVE FY 2024-25)

- To further incentivise operations from the IFSC, the following amendments are proposed:
 - a. In addition to Category III AIFs registered with the SEBI, specified incomes of retail funds and exchange traded funds regulated by the IFSC regulations would be exempt from tax.
 - b. Specified income of a Core Settlement Guarantee Fund set up by recognized clearing corporations in IFSC would be exempt from tax.
 - c. Enquiries would not be made on funds sourced by a taxpayer from venture capital funds government by applicable IFSC regulations.
 - d. Thin capitalisation rules would not apply to finance companies established under the applicable IFSC regulations.
- To promote the cruise shipping industry and promote tourism development, a new regime is proposed to be introduced for non-resident ship operators. The regime contemplates two non-resident companies – one a non-resident cruise ship operator and one, a non-resident cruise ship lessor. Both these companies would be subsidiaries of the same holding company.

The following should be noted:

- a. The lessor company is proposed to be exempt from tax on the lease rentals of cruise ships. The ship operator company would be taxable on a presumptive basis at 20% of the cruise ship operation receipts, as specified.
 - b. Exemption is proposed to be provided to income of a foreign company from lease rentals, if such foreign company and the non-resident cruise ship operator have the same holding company.
- Presently, if a closely held company, receives any excess consideration on the issue of shares over the fair market value of such shares, the excess would be chargeable to tax as 'Income from Other Sources'. It is proposed to provide a sunset to this provision such they would not apply on or after 01.04.2025.
 - To improve ease of doing business and better compliance by taxpayers, the TDS rates are proposed to be reduced for transactions other than on salary, virtual digital assets, winnings from lottery etc/ race horses, payment on transfer of immovable property and payments to non-residents, contracts etc.

Section	Current	Proposed	w.e.f.
Section 194D - Payment of insurance commission (non-companies)	5%	2%	01.04.2025
Section 194DA - Payment in respect of life insurance policy	5%	2%	01.10.2024
Section 194G - Commission etc on sale of lottery tickets	5%	2%	01.10.2024
Section 194H - Payment of commission or brokerage	5%	2%	01.10.2024
Section 194-IB - Payment of rent by certain individuals or HUF	5%	2%	01.10.2024
Section 194M - Payment of certain sums by specific individuals or HUF	5%	2%	01.10.2024
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.1%	01.10.2024
Section 194F - Payments on account of repurchase of units by Mutual Fund or Unit Trust of India	20%	0% (to be omitted)	01.10.2024

- The special taxation regime of deemed STCG taxation for special specified mutual funds ('SMF') market-linked debentures ('MLD') contemplates taxation of any gain from the sale of units in SMF or MLDs as STCG. It is proposed, effective AY 2026-27, that:
 - a. This special taxation regime is extended to unlisted debentures and unlisted bonds.
 - b. Since the present equity investment threshold for SMFs has adversely impacted include Exchange Traded Funds (ETFs), Gold Mutual Funds and Gold ETFs, it is proposed to provide that an SMF would mean a mutual fund: (a) which invests more than 65% of its total proceeds in debt and money market instruments; or (b) a fund which invests 65% or more of its total proceeds in units of a fund referred to above.

SIMPLIFICATION AND RATIONALISATION

Not-for-profit organisations ('NPOs')

- Hitherto, two tax regimes exist for recognising and administering exemptions granted for not-for-profit organisations ('NPOs') – one under Section 10(23C) (first regime) and the other under sections 11-13 of the Act (second regime).
- Initially, the first regime was far less rigorous than the second. Over the years, both these regimes have been rendered identical. This has resulted in provisions becoming voluminous. Hence, **it is proposed that the first regime sunset and be transited to the second regime.** In this backdrop, the following is proposed:
 - a. Applications seeking approval or provisional approval under the first regime and filed on or after 01.10.2024, shall not be considered.
 - b. Applications filed under the first regime before 1st October, 2024, and
 - c. which are pending would be processed and considered under the extant provisions of the first regime itself.
 - d. Approved trusts, funds or institutions would continue to get the benefit of exemption, as per the provisions of the first regime till the validity of the said approval.
 - e. They would be eligible to apply for registration, subsequently, under the second regime.
 - f. Certain eligible modes of investment, under the first regime shall be protected in the second regime, by way of amendment in section 13.
- It is also proposed to enable trusts under the second regime above, to claim exemption under certain specified provisions of the Act, namely, Sections 10(23EA), 10(23ED) and 10(46) of the Act.
- It is also proposed that NPOs either under the first or second regime can merge in a tax neutral manner subject to satisfaction of prescribed conditions.
- Hitherto, the PCIT / CIT is required to dispose off applications for registration under sections 12AB and 80G within 6 months from the end of the month in which the application was received. It appears that this timeline has been a challenge for the Revenue. Hence, it is proposed to 'rationalise' this timeline by partially extending the timeline – now, the PCIT / CIT is required to dispose off applications for registration under Sections 12AB and 80G within 6 months from the end of the *quarter* in which the application was received.
- The provisions of Section 12A contemplate that NPOs that wish to avail of tax exemption, register themselves within specified timelines. It has been noted that NPOs are unable to file the application within the specified timeliness. Because of this, they would be liable to tax. To address this, it is proposed, effective 01.10.2024, to empower PCIT / CIT to condone the delay in filing such applications and treat them as having been filed on time, provided there is reasonable cause for the delay.

Other amendments

- Presently, where a taxpayer does not report foreign income and assets in his income-tax return, he is inter alia subject to penalty under the Black Money Act. The penalty presently does not apply if the asset is one or more bank accounts having an aggregate balance of Rs. 5 lakhs at any time during the previous year. Having received suggestions that this threshold limit is very low, the said limit has now been increased to Rs. 20 lakhs and the scope has been widened from bank accounts to all assets other than immovable property.
- Transfer pricing scrutiny assessment provisions have been harmonized to enable a transfer pricing officer to scrutinize a specified domestic transaction if such a transaction comes to his notice while the proceedings are before him. Hitherto, such a provision was available to only international transactions and there was no express provision that empowered the TPO to do so for specified domestic transactions.
- To encourage and incentivize taxpayers (specially the salaried taxpayers) to shift to the new tax regime, it is proposed, effective 01.04.2025, to provide as follows to taxpayers opting for the new tax regime:
 - a. Increase standard deduction under salary income from Rs. 50,000 to Rs. 75,000.
 - b. Increase the limit of deduction towards family pension income that will be considered under the head income from other sources from Rs. 15,000 to Rs. 25,000.
- Hitherto, employers would deduct tax on employee salary after considering incomes under any other head and deduct tax on the same. The salaried person would claim a refund for such tax deducted credit while filing a return of income. It is now proposed that the employer also factor TDS and TCS credits that the employee is eligible for, prior to deducting the tax at source.
- Per extant provisions, persons who fail to collect tax or after collecting, fail to deposit the same to the credit of the Central Government are liable to pay simple interest at 1% for every month or part thereof on the amount of such tax from the date on which such tax was collectible to the date on which the tax was paid. To align the interest on failure to pay TCS to the Government account after the collection of tax to the interest levy on similar TDS defaults, it is proposed to increase the interest rate on late payment of TCS from 1% to 1.5% per month.

- Presently, the remuneration paid to a working partner (authorized and under the terms of the partnership deed), is disallowed if the total amount paid to all partners during the previous year exceeds the aggregate amount computed as follows:

on the first Rs. 3,00,000 of the book-profit or in case of a loss	Rs. 1,50,000 or 90% of the book-profit, whichever is more;
on the balance of the book-profit	60%

- It is proposed to increase the above limits of remuneration as under:

on the first Rs. 6,00,000 of the book-profit or in case of a loss	Rs. 3,00,000 or 90% of the book-profit, whichever is more;
on the balance of the book-profit	60%

- The Act provides for the collection of tax at source (TCS) on inter alia remittances under the liberalised remittance scheme ('LRS'). These provisions permit only the payer / remitter to claim the credit of TCS.

- Effective 01.01.2025, it is proposed to introduce a provision in Section 206C of the Act, allowing the Board to notify rules for cases where the credit for tax collected is given to a person other than the collectee. Consequently, the credit for TCS of a minor will be allowed to the parent in whose hands the income of the minor child is being clubbed.
- Whether a payment, in select cases, constitutes payments for 'work' or payments for 'professional or technical services' has been a point of discussion given the fair overlap of scope of these provisions. To provide clarity, it is proposed to amend the definition of 'work' to explicitly state that any payment that is liable to TDS as being for fee for professional or technical services (per Section 194J(1)), would not be regarded as 'work'.
- Presently, TDS applies on sale of immovable property at 1% if the sale consideration or the stamp duty value of such property is more than Rs. 50 lakhs. The Legislature has noted that some taxpayers are interpreting that the consideration being paid or credited refers to each individual buyer's payment rather than the total consideration paid for the immovable property. Effective 01.10.2024, it is proposed that when there is more than one transferor or transferee for an immovable property, the consideration shall be the aggregate amount paid or payable by all the transferees to all the transferors for the transfer of the property.

- Presently, the tax deduction that an employer claim on its contribution to a pension scheme is capped at 10% of the employee's salary. The employee is similarly granted a deduction up to 10%. This cap is now proposed to be increased to 14% for the employer and for an employee who opts for taxation under the new taxation regime.
- Presently, the provisions for obtaining a lower tax deduction certificate do not contemplate this facility for payments and receipts towards purchase of goods above Rs. 50 lakhs. It is now proposed, effective 01.10.2024, to extend this facility to such category of tax deductors / collectors.
- Per Sections 200 and 206C of the Act, TDS deductors and the TCS collectors respectively prepare statements detailing the TDS deducted / collected within the prescribed time respectively. However, there is no limit for furnishing correction statements. It is now proposed to provide that no correction statement shall be filed after 6 years from the end of the FY in which the statements are furnished.
- Presently, no penalty is levied for failure to furnish TDS / TCS returns if the person proves that after paying TDS / TCS along with fees and interest to the credit of the Central Government, he has filed the TDS / TCS statement before the expiry of period of 1 year from the time prescribed for furnishing such returns. Since delay in filing of the TDS / TCS statement causes great inconvenience, it is proposed to reduce this time limit from 1 year to 1 month from the due date of filing the returns.
- Presently, failure to deposit TDS to the Central Government within the stipulated time can lead to rigorous imprisonment for a term ranging from a minimum of 3 months to a maximum of 7 years, along with a fine. Effective 01.10.2024, it is proposed to decriminalise the above non-compliance where the the payment for the respective quarter is made to the Central Government within the due date for the quarterly returns – one month from the end of the quarters in respect of the first three quarters of the FY and 31 May in respect of the last quarter of the FY.

- There has been an exponential growth of derivative (future and option) markets in recent times and trading in such derivatives accounts for a large proportion of trading in stock exchanges. In view of this exponential growth of the derivative markets, it is proposed to increase the said rates of securities transaction tax on sale of an option in securities as below:

Security Type	Current Rate	Proposed Rate
Sale of an Option in Securities	0.0625% of the option premium	0.1% of the option premium
Sale of a Future in Securities	0.0125% of the trading price	0.02% of the trading price
Delivery Trades in Equity Shares	0.1% on both purchase and sale	No change
Sale of an Option in Securities (when exercised)	0.125% of the intrinsic price (difference between settlement price and strike price)	No change

- Effective 23.07.2024, holding period for determining whether a capital asset / gain / loss is short-term or long term will be as follows:

Asset type	Holding period
All listed securities	12 months
All other assets	24 months

- Amendment made in the tax rate on long term capital gain and short-term capital gain is tabulated as below:

Nature of income	Rate up to 22.07.2024	Rate from 23.07.2024
Short term capital gain on transfer of STT paid equity shares, units of equity oriented mutual fund and unit of a business trust	15%	20%
Long-term capital gains on transfer of above assets (exceeding Rs. 1.25 lakhs)	10%	12.5%
STCG for of specified Funds or Foreign institutional investors under section 115AD	30%	30%
STCG other than above	Slab rates	Slab rates
Listed bonds and securities	20%	12.50%
Other LTCG	20%	12.50%

No indexation benefit would be available in computing gains for any long-term capital assets. *An FAQ was issued by the MoF with guidance on these proposals.*

The FAQ clarified that the rationale of these amendments was simplification of the tax structure for ease of compliance, in terms of computation, filing, maintenance of records.

WIDENING AND DEEPENING OF TAX BASE AND ANTI - AVOIDANCE

- The Legislature has noted that some taxpayers net-off overseas income against overseas taxes withheld and further also claim credit of such overseas taxes withheld outside India. This results in a double deduction. Considering this, it is proposed to provide that overseas taxes withheld outside India constitute income. As a consequence, this would require to be offered to tax and thereafter credit claimed.
- Insurance companies are taxed in India under a separate taxation scheme for many years now. The Legislature has noted that there have been instances where non-business expenses have been claimed by life insurance companies and there is no provision to add back these to the income of such companies. To address this anomaly, it is proposed to provide that any expenditure which is not admissible under the provisions of Section 37 in computing the profits and gains of a business shall be included to (i.e. added back to) the profits and gains of the life insurance business.
- Presently, expenditure incurred by an assessee for any purpose which is an offence, or which is an infraction of law is disallowed in computing business income. The Legislature has noted that settlement amounts are incurred due to an infraction of law and relate to contraventions etc and, therefore, should not be allowed as business expenses. Suitable amendments are now proposed to exclude expenditure incurred to settle proceedings initiated in relation to a contravention under any law for the time being in force, as may be notified.
- Hitherto, payments of salary, remuneration, commission, bonus etc. to partners of a partnership firm did not require tax deduction at source. It is now proposed to provide for such tax deduction. Hence, payments such as salary, remuneration, commission, bonus, and interest to any account (including the capital account) to a partner in a firm where the aggregate amounts exceed Rs. 20,000 in a financial year would be subject to tax deduction at source at 10%.
- The provisions of the Act provide that every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of value exceeding Rs. 10 lakhs, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 1% of the sale consideration as income-tax. It is proposed to extend the scope of the TCS to luxury goods, with a value exceeding Rs. 10 lakhs, as may be notified by the Central Government on this behalf.
- Finance Act 2020 had introduced EL 2.0 at 2% payable by a non-resident e-commerce operator on the consideration received / receivable from e-commerce supply or services to Indian residents etc. Due to the ambiguity raised by the stakeholders on the charging provision of the EL 2.0, it is now proposed that EL 2.0 at 2% shall not apply to the consideration received or receivable for e-commerce supply or services, on or after the 1st day of August 2024.

- Hitherto, proceeds from a buy-back of shares by a company was subject to a special taxation regime. The Legislature has noted references stating that pay-outs on buy-back of shares should be taxed in hands of recipients. In this backdrop, it is proposed to discontinue the existing regime and regard such proceeds as dividend. This approach would entail:
 - a. No deduction for expenses shall be allowable.
 - b. There would be a capital loss to the extent of the shares bought back (since shares bought back would result in an extinguishment of an asset). The loss would be equal to the cost of acquisition of the shares which have been bought back.
 - c. Subsequently when any other shares are sold (other than buy-back shares), he would be entitled to claim this loss.
- Per existing provisions, any gift given out of love and affection is not regarded as a taxable transfer. It was noted that since the provision seeks to exclude all gifts, irrespective of the nature of the transferor, companies were also making gifts and claiming an exemption from capital gains tax. To address this aspect, it is proposed that only those gifts that are made by an individual or HUF would be exempt from taxation.
- The Legislature has noted that taxpayers in some cases were adopting a view that gains on sale of unlisted shares under an offer for sale are not chargeable. This is based on a literal reading of the provisions; the cost of acquisition is indeterminable. Considering this, it is now proposed that the gain on sale of unlisted shares under an offer for sale are taxable. For this purpose, cost of acquisition of such shares would be the higher of:
 - a. Cost of acquisition of the asset; and
 - b. Lower of:
 - i. FMV of such asset; and
 - ii. Full value of consideration received or accruing as a result of the transfer of the capital asset.
- It is proposed that, the FMV would be the cost of acquisition the same proportion as Cost Inflation Index for the FY 2017-18 bears to the Cost Inflation Index for the first year in which the asset was held by the taxpayer or for the year beginning on the first day of April, 2001, whichever is later.
- Some taxpayers have been reporting their rental income from house property as 'Profits and gains of business or profession'. This purportedly reduces their tax liability significantly. To address this concern, it is proposed that income from letting out a residential house or part of the house by the owner shall be chargeable under the head 'Income from house property' and not under 'Profits and gains of business or profession.'

TAX ADMINISTRATION

- To settle historic income-tax disputes, the Direct Tax Vivaad se Vishwas Act was launched in 2020 for appeals pending as of 31.01.2020. The Scheme was fairly successful and also resulted in garnering substantial revenue for the Government. The Legislature has noted that there is high pendency of litigation at various levels. Considering the success of the previous Vivaad Se Vishwas Act, 2020 and the mounting pendency of appeals at CIT(A) level, it is proposed to introduce the Direct Tax Vivad se Vishwas Scheme, 2024 to provide a mechanism of settlement of disputed issues.
- Due to the high volume of pending appeals and disputed tax demands at the Commissioner (Appeals) stage, a new provision has been introduced to streamline the process. It was hitherto not possible for a Commissioner (Appeals), in any appeal, to refer a case back to the Assessing Officer to decide the matter afresh. It is now proposed that the Commissioner (Appeals) would be empowered to set aside an assessment order and refer the case back to the Assessing Officer for a fresh assessment in cases where the original assessment was made as a best judgment assessment under Section 144 of the Income-tax Act.

SEARCH PROVISIONS

- The search assessment provisions have been rationalised, again after 3 years from the new scheme. However, the proposed provisions are mostly identical to the block assessment provisions that applied for searches undertaken up to 31.05.2003. It is worthwhile to note that the earlier scheme was scrapped in 2003, inter alia, since it had 'failed in its objective of early resolution' and it has 'spawned a fresh stream of litigation'.
- Despite this, the earlier scheme is proposed to be introduced. This scheme is conceptually similar to the provisions in vogue. A summary of this scheme is as follows:
 - a. New scheme to apply to assessments in respect of searches conducted on or after 01.09.2024.
 - b. 'Block' period to comprise of 6 years prior to the year of the search as well as the year of the search – in all, 7 years.
 - c. Regular / ongoing assessments for the block period shall abate. There will be one consolidated assessment for the block period.
 - d. Till block assessment is complete, no further assessment / reassessment proceeding shall take place in respect of the period covered in the block.
 - e. Undisclosed income is defined to include any money, bullion, jewellery or other valuable article or thing or any expenditure or any income based on any entry in the books of account or other documents or transactions.

- f. Undisclosed income to be computed on the basis of evidence found as a result of search and such other materials or information available with the AO or that comes to his notice.
- g. The assessment of 'other person' being a person other than the person being searched and in respect of whom money, bullion etc. is found in the case of the searched person would be handed over to the AO having jurisdiction of such 'other person'.
- h. Presently, tax is to be charged at 60% of the undisclosed income plus a surcharge that is presently not proposed.
- i. Interest and penalty are proposed distinctly for such search cases and would not be governed by the provisions of Sections 234A, 234B and 234C and 270A respectively.
- j. Block assessment for the searched person is to be completed within 12 months from the end of the month in which the last of the authorisations for search under Section 132, or requisition under Section 132A, was executed or made.
- k. Block assessment for the 'other person' is to be completed within 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.
- l. Where the search results in information in relation to international transactions, this income would not be considered for determining the total income of the block period but would be considered as income in the assessment made under the 'other provisions of the Act'. Numerous questions arise in such cases, namely whether this income is assessed outside the new provisions, the rate of tax to be applied to income so determined etc.
- m. The notice requiring the searched assessee to furnish his return of income for the block period, as well as the order of assessment for the block period shall be issued or passed, as the case may be, with the previous approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director.
- n. The 'searched person' or the 'other person' cannot approach the dispute resolution panel in any matter.

Reassessment provisions

- a. The reassessment provisions have been rationalised, again after 3 years from the new scheme.
- b. Except for providing that the reassessment cannot be undertaken beyond 5 years (as against the earlier 10 years), the proposed provisions are mostly identical to the existing reassessment provisions introduced in 2021. These existing provisions have been subject matter of constant litigation, and the new provisions are likely to take this litigation forward.
- c. The re-casting of the provisions are warranted primarily to exclude search provisions from the reassessment provisions which are now part of a new scheme.
- d. The new reassessment scheme contemplates normal cases of reassessment to go back to a period of 3 years from the end of the relevant AY. For example, if reassessment is initiated in February 2025, the normal reassessment can be made not beyond AY 2021-22, that is FY 2020-21.
- e. If the income escaping assessment amounts to or is likely to amount to Rs. 50 lakhs and above, reassessment can go back to a period of 5 years from the end of the relevant AY. For example, if reassessment is initiated in February 2025, the normal reassessment can be made not beyond AY 2019-20, that is FY 2018-19.
- f. The approval authority for the notices and orders above are the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director.

Other provisions

- Appeals against orders of passed under the faceless appeal scheme can now be filed with the ITAT within 2 months of the end of the month in which the order is communicated to the assessee or to the Principal Commissioner or Commissioner. Earlier, these appeals ought to have been filed within 60 days from the communication of the order to the assessee or to the Principal Commissioner or Commissioner.
- Presently, the existing provisions of the ITA provide that in specified circumstances, a person domiciled in India is not permitted to leave India, unless he obtains a tax clearance certificate from the concerned income-tax authority. Presently, the TCC is issued in respect of any or nil liabilities under several laws. However, the Black Money law is not covered therein. It is now proposed to provide that the person in specified circumstances should obtain a tax clearance certificate even in respect of the Black Money law.

- Time limits have been provided for completing assessments in specific circumstances as follows:
 - a. Where a return is filed pursuant to a CBDT order under section 119(2)(b) of the Act – the due date for completing assessment is 12 months from the end of the FY in which the return is filed.
 - b. Where effect is to be given to a remand order by the CIT(A) – the due date for completing assessment is 1 year from the end of the year in which the Principal Chief Commissioner / Chief Commissioner / Principal Commissioner / Commissioner receives the order.
 - c. Where effect is to be given to a ‘revived’ order of a ‘searched’ person – the due date for completing assessment is 1 year from the end of the month of the revival.
- A taxpayer is eligible for interest at additional interest of 3% per annum where the refund arises after giving effect to orders under Sections 250, 254, 260, 262, 263, or 264. If such refund is withheld due to an ongoing assessment or reassessment, in computing the additional interest, the period excluded from the interest calculation is only from the date of withholding to the date until when the refund is actually withheld. Further, any refund can be withheld by the AO not beyond the date on which the reassessment / assessment is made (in anticipation of which the refund was withheld). Effective 01.10.2024, an extension of 60 days from this date is proposed to be provided to enable the release of the refund.
- Presently, TDS / TCS proceedings can be undertaken for resident deductors not beyond 7 years. However, no such provision exists for non-residents, such that there is no clarity on the limitation period. Considering this, effective 01.04.2025, it is proposed that, no order shall be passed deeming any assessee in default for failure to deduct / collect the TDS / TCS from any person, at any time after the expiry of 6 years from the end of the FY in which payment is made or credit is given or tax was collectible.

GST

AMNESTY SCHEME

- An amnesty scheme has been introduced providing for full waiver of interest and penalty for the tax demands pertaining to FYs 2017-18, 2018-19 and 2019-20. This is subject to the condition that the disputed taxes are paid within a specified date (yet to be notified but is expected to be 31.03.2025 in line with the recommendation of the GST Council). Highlights of the amnesty scheme are as follows:
 - a. **Eligibility:** This would be applicable only with respect to proceedings initiated under Section 73 and covers all the following situations:
 - Notice or Statement issued but order yet to be passed
 - Order passed by the adjudicating authority and appeal filed by taxpayer
 - Order passed but appeal yet to be filed
 - Order passed but initiated revision proceedings which is in progress
 - Order passed under Section 74, but is allowed as proceedings under Section 73 in appeal

INDIRECT Tax Proposals

- b. **Withdrawal of Appeal / Writ:** Taxpayer would be required to withdraw the Appeal / Writ, if any filed before the Appellate Authority or Court. Further, it is a pre-condition that no appeals can be subsequently preferred on conclusion of proceedings under this amnesty scheme.
- c. **Departmental Appeal:** In cases where an appeal is filed by the tax authorities, additional taxes as per the Order issued by Appellate Authority / Court should be paid within 3 months from the date of such order.
- d. **No refund or adjustment of amounts already paid:** Any interest / penalty already paid will not be eligible for refund. Further, the benefit of the amnesty scheme is not available for any disputed taxes on account of erroneous refunds.

INPUT CREDITS

- **Additional time to claim credits for the initial 3 years of GST:** The time limit for claiming input tax credit for any invoice / debit note pertaining to the Financial Years 2017-18 to 2020-21 in any **return filed** under Section 39 has been extended upto November 30, 2021. However, no refund would be granted of taxes already paid / ITC reversed. *This will be effective retrospectively from 01.07.2017.*
- **Claim of ITC in respect of suppliers whose registrations are cancelled:** A time limit has been notified for claiming input tax credit, where the supplier's registration was cancelled but subsequently revoked by an Order, subject to the condition that the original time limit for claim of such ITC had not expired as on the date of cancellation. Input Tax Credit in such cases is to be claimed in a return, which is later of the following:
 - a. Filed upto 30th November for the following the FY to which such invoice pertains or furnishing of Annual Return, whichever is earlier; or
 - b. Filed for the period of cancellation / effective date of cancellation till the date of revocation, if the return is filed within 30 days from the date of order of revocation

Effective retrospectively from 01.07.2017.

- **Eligible to claim credits of taxes which may be paid in pursuance to any proceedings by the tax office:** The restriction on claim of Input Tax Credit in relation to any tax paid under Section 129 (*detention / seizure of goods / conveyances in transit*) and Section 130 (*confiscation of goods / conveyances*) has been removed.
Further, given that Section 74 will be omitted, even this embargo is removed – viz., even where taxes were not paid and assessments are concluded as a case of fraud / wilful misstatement / suppression, credit will be eligible to be claimed, subject to the timelines and documentation.
- ISDs will be eligible to claim and distribute eligible transitional CENVAT credit on input services received by such ISD, where the invoices were received even prior to 1st July, 2017. The method and timeline for claim of such credits is yet to be notified. *This will be effective retrospectively from 01.07.2017.*

ASSESSMENTS

- Common time limit for issuance of notices and orders, *mens rea* or otherwise
 1. Finance Bill 2024 has introduced Section 74A to the CGST Act, 2017 on the recommendation made in the 53rd GST Council meeting. This new Section sets a common time limit for issuance of show cause notice (SCN) and order relating to (a) unpaid or short paid GST; (b) Input tax credit wrongly availed or utilised; or; (c) erroneous GST refunds, regardless whether it involves *mens rea* or otherwise.

2. Gist of Section 74A is as follows:

- Applicability: From FY 2024-25 and onwards.
- Time Limit for issuance of SCN: 42 months (3.5 years) from due date of furnishing the relevant Annual Return. *Hitherto, time limit to issue SCN under Section 73 was 33 months, whereas under Section 74 was 54 months.*
- Time Limit for issuing Order: 12 months from the date of issuance of SCN, with an additional 6 months, with appropriate approvals. *Hitherto, time limit to issue order under Section 73 was 36 months and under Sec. 74 was 60 months respectively.*
- SCN not to be issued: If the demand of tax, ITC or refund is less than Rs. 2,000/- (CGST+SGST) or Rs. 1,000/- (IGST).

- Prescribed penalties, as follows:

Cases NOT INVOLVING mens rea		
If Tax + Interest is paid	Section 73 Until FY 2023-24	Section 74A FY 2024-25 onwards
Before service of SCN	No penalty	
Within 30 / 60 days of SCN	No penalty (paid within 30 days)	No penalty (paid within 60 days)
Within 30 / 60 days of the Order	Higher of 10% of tax; OR Rs. 20,000/- (CGST+SGST) or Rs. 10,000/- (IGST)	
Thereafter		

Cases INVOLVING mens rea		
If Tax + Interest is paid	Section 74 Until FY 2023-24	Section 74A FY 2024-25 onwards
Before service of SCN	15% of tax	
Within 30 / 60 days of SCN	25% of tax (paid within 30 days)	25% of tax (paid within 30 days)
Within 30 / 60 days of the Order	50% of tax (paid within 30 days)	50% of tax (paid within 60 days)
Thereafter	100% of the tax	

APPEALS

- **Pre-deposit for Appeals**

Appeal	Pre-amendment	Vide FB 2024
First appeal	10% of disputed tax (with a cap of Rs. 50 crores: C+S or I)	10% of disputed tax dispute (with a cap of Rs. 40 crores: C+S or I)
Tribunal appeals	Additional 20% of disputed tax (with a cap of Rs. 100 Crores: C+S or I)	Additional 10% of disputed tax (with a cap of Rs. 40 Crores: C+S or I)

- **Extended time to file appeal by the tax office:** A 3-month additional timeline is provided for tax office to file any appeal before the Tribunal. Hitherto, this 3-month period was applicable only for appeals to be filed by the tax payers. With this amendment, the extended timelines for both, tax office and tax payer would be uniform.
- **Cases to be heard by Principal bench of GSTAT:** Government on the recommendations of the Council may notify other cases or class of cases which shall be heard only by the Principal Bench. *It is expected that cases involving valuation would be amongst the disputes that may get notified under this provision.*

RCM

Time of Supply

- **TOS for services liable to tax under RCM distinguished:** The time of payment of tax under RCM would be the date of issue of self-invoice by the recipient and not the date of invoice of the unregistered supplier. However, interest would be payable for the delay, if any for issue of such self-invoices. *Accordingly, TOS would be:*
 - Date of payment as per books of the recipient/ debit entry in bank of the recipient – if the recipient is not required to issue self-invoice*
 - Date of issuance of self-invoice by the recipient – where such self-invoice is required to be issued by the recipient*

Hitherto, the TOS for the above was earlier of payment as per books of the recipient / debit entry in bank of the recipient (or) 60 days from the date of issuance of invoice by supplier.

REFUND

No export refund if goods are subject to export duty: Refund of unutilized input tax credit (ITC) or IGST paid will not be allowed in cases of zero-rated supply of goods where such goods are subject to export duty. *Hitherto, this restriction applied only to unutilized ITC for goods exported out of India that were subject to export duty.*

ADMINISTRATIVE

Summons - Appearance by authorised representative: Authorised representative, if permitted by the Officer, may appear in response to any summons to make any statements or furnish any details, as the case may be. *Hitherto, only the summoned person had to appear, in person and authorised representatives were not allowed.*

ANTI-PROFITEERING

A sunset clause has been introduced to designate a date after which the Authority for Anti-Profiteering will cease to accept new applications for examination of anti-profiteering matters. Further, the Principal Bench of the GST Appellate Tribunal has also been assigned powers to examine and adjudicate all anti-profiteering matters.

E-COMMERCE OPERATIONS

ECOs are currently liable for a penalty of higher of Rs. 10,000/- or tax involved for contravention of certain provisions relating to supplies of goods (i) made through ECOs by unregistered persons, or (ii) permitting inter-State supply of goods / services by persons not eligible to do so, or (iii) failing to provide accurate details about supplies made by exempted persons through their platform.

This penal provision is now amended to levy penalty only in a case where an ECO is liable to collect tax at source under Section 52 of the CGST Act, 2017. Currently, TCS is applicable only where the consideration is collected by the ECO and excluding services in the nature of restaurant services (incl. cloud kitchens), housekeeping, accommodation services and motor cabs. *This will be effective retrospectively from 01.10.2023.*

RETURNS

Mandatory filing of Returns in Form in FORM GSTR-7 for reporting

of TDS: Form GSTR-7 must be filed electronically every month, even if no deductions are made by the tax deductor during that month. A NIL return should be filed if no deductions are made in a calendar month. *Hitherto, if no deductions were there, the deductor of tax was not required to file the return.*

OUTSIDE THE GST NET

The following transactions will neither be considered as a supply of goods / services:

- Apportionment of co-insurance premium by the lead insurer to the co-insurer for jointly supplied insurance services as long as the lead insurer pays the tax on the gross premium paid by insurer.
- Services provided by an insurer to a reinsurer, where ceding / reinsurance commission is deducted from the reinsurance premium provided the reinsurer pays the tax on the gross reinsurance premium including the commission.

Un-denatured extra neutral alcohol or rectified spirit used for manufacture of alcoholic liquor for human consumption, has been excluded from levy of GST.

OTHERS

- Insertion of new Section empowering the Government to allow regularisation of non-levy or short of levy of GST based on recommendation of the GST Council, where tax was not paid or short paid as a result of established common trade practices. This amendment is aimed at providing clarity and legal certainty to taxpayers while ensuring compliance with the GST Laws.

CUSTOMS

EXEMPTION FROM GST COMPENSATION CESS FOR IMPORTS BY SEZ UNITS / DEVELOPERS

- FB 2024 has proposed to extend benefit of exemption from payment of GST Compensation Cess, for import of goods made by SEZ units / developers, where such goods are meant for authorised operations. This would be applicable for all imports made from 01.07.2017.

LIMITED THE BENEFIT OF MOOWR

- Necessary amendments are proposed to warehousing provisions under Section 65 of the Customs Act, 1962, which permits to carry out manufacturing and other operations in the warehouse, without having to remit the BCD.

It is relevant to note that the Board vide instruction dated 09.07.2022 had earlier clarified that the provisions of warehousing cannot be extended to solar power generating plants which was struck by the Hon'ble Delhi High Court in case of ACME Heergarh Powertech Private Limited wherein the HC specifically made a mention that, in case the board wishes to exclude specific industry from applicability of warehousing provisions, it has to be so done by way of notification issued in terms of the Act. It is inferred that this amendment is to address this ruling. Accordingly, henceforth, the Government is empowered to specifically exclude specified class of goods from availing the benefits which may otherwise be available under the warehousing provisions.

PREFERENTIAL RATE OF DUTY

- Necessary amendment has been made to Section 28DA of the Customs Act, 1962 to include any kind of declaration (or self-certificate of the overseas exporter) as a proof, which establishes the “proof of origin” of such goods, for the purposes of claiming the benefit of preferential rate of duty under free-trade agreements. *Hitherto, it was only the “certificate of origin” to be issued by any notified authorities of the exporting country that was accepted as the proof of origin of goods.*

RELAXATION OF TIMELINES FOR RE-EXPORT OF GOODS IMPORTED FOR MRO ACTIVITIES

- Aircrafts and vessels imported for maintenance, repair and overhauling can be re-exported within 1 year or import which can be further extended by 1 more year. *Hitherto, the time lime to re-export was 6 months which was extendable upto 1 year.*

RELAXATION OF TIMELINE FOR RE-IMPORT OF GOODS EXPORTED EARLIER

- The time-period of duty-free re-import of goods (other than those under any export promotion schemes) exported out from India under warranty is increased from the current 3 years to 5 years which is further extendable by an additional 2 years.

ABBREVIATIONS

- GST – Goods & Services Tax
- FB – Finance Bill, 2024
- FY – Financial Year
- FM – Finance Minister
- TDS – Tax Deducted at Source
- TCS – Tax Collected at Source
- CoO – Certificate of Origin
- NPI – Non-profit Institutions
- WHT – Withholding Tax
- FTA – Free Trade Agreement
- IFSC – International Financial Services Center
- ETF – Exchange Traded Funds
- STCG – Short Term Capital Gains
- LTCG – Long Term Capital Gains
- CCD – Compulsory Convertible Debentures
- CCB – Compulsory Convertible Bonds
- SMF – Specified Mutual Funds
- NPO – Non-profit Organizations
- PCIT – Principal Commissioner Of Income Tax
- CIT – Commissioner of Income Tax
- LRS – Liberalised Remittance Scheme
- STT – Securities Transaction Tax
- EL – Equalisation Levy
- HUF – Hindu Undivided Family
- ITA – Income Tax Authority
- TCC – Tax Clearance Certificate
- CIT(A) – Commissioner of Income Tax (Appeals)
- ISD – Input Service Distributor
- TOS – Time of Supply
- RCM – Reverse Charge Mechanism
- SCN – Show Cause Notice
- ITC – Input Tax Credit
- ECO – e-Commerce Operator
- BCD – Basic Customs Duty
- GSTAT – GST Appellate Tribunal
- MOOWR – Manufacturing and Other Operations in Warehouse Regulations
- SEZ – Special Economic Zone
- MRO – Maintenance, Repair and Overhaul

**SINGHVI
DEV & UNNI LLP**
CHARTERED ACCOUNTANTS
|||||

6th Floor, Trade Centre,
29/4, Race Course Road,
Bengaluru – 560 001

WeWork, Raheja Platinum,
Sag Baug Road, off Andheri-Kurla Road,
Marol, Andheri (East)
Mumbai – 400 059

Next to International Airport Gokul Road,
Opp to Gokul Village,
Hubballi 580 030

Write to us for a detailed discussion

badrinath@sdu.works | bharathl@sdu.works | shashikumar@sdu.works | siddeshwar@sdu.works | vishnu@sdu.works

Document Date: 25.07.2024

The views expressed and the information provided in this newsletter are of general nature and are not intended to address the circumstances of any particular individual or entity. Further, the above content should neither be regarded as comprehensive nor sufficient for making decisions. Although we endeavour to provide accurate and timely information, there is no assurance or guarantee in this regard. Do not act on the information or views provided in this publication without appropriate professional advice. SDU will not be responsible for any loss arising from any actions taken or to be taken or not taken by anyone based on this publication. This is meant for private circulation only.