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## **Part A - Key Budget Highlights:**

Finance Minister Nirmala Sitharaman, presenting her 7th consecutive Budget in the Parliament today, opens her speech with an incredible note, saying “India’s economic growth continues to be the shining exception and will remain so in the years ahead. India’s inflation continues to be low, stable and moving towards the 4 per cent target.”

### **Key Macros of the Budget**

#### **Budget Estimates 2024-25:**

Estimated Receipts	Estimated Expenditure	Estimated Fiscal deficit	Estimated Gross market Borrowings	Estimated Net market Borrowings
Rs. 32.07 Lakh Crore	Rs. 48.21 Lakh Crore	4.9% of GDP	Rs. 14.01 Lakh Crore	Rs. 11.63 Lakh Crore

#### **Expenditure - Sector wise:**

S. No.	Sectors	Rs. (in crores)
1.	Defence	4,54,773
2.	Rural Development	2,65,808
3.	Agriculture and allied activities	1,51,851
4.	Home Affairs	1,50,983
5.	Education	1,25,638
6.	IT and Telecom	1,16,342
7.	Health	89,287
8.	Energy	68,769
9.	Social Welfare	56,501
10.	Commerce and Industry	47,559

#### **1. Global Context:**

- The global economy, though performing better than expected, faces policy uncertainties, elevated asset prices, political uncertainties, and shipping disruptions, posing risks to growth and inflation.
- India's economic growth remains strong with low and stable inflation moving towards the 4% target, and core inflation (non-food, non-fuel) currently at 3.1%. Steps are being taken to ensure adequate supply of perishable goods.

#### **2. Interim Budget:**

- Interim Budget for the FY 2024-25 focused on four major groups: 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth), and 'Annadata' (Farmer).
- Administrative actions for various schemes announced in the interim budget are underway with required allocations made.

#### **3. Budget Theme:**

- This year budget focused on employment, skilling, MSMEs and the middle class, turning the attention to the full year and beyond.

- Announcement of the PM's Package of 5 schemes and initiatives to facilitate employment, skilling and other opportunities for 4.1 Crore youth over a 5-year period with a central outlay of Rs.2 lakh crore.
- Provision of Rs. 1.48 lakh crore has been made for education, employment and skilling.

#### **4. Budget Priorities:**

- In the line with the strategy set out in the interim budget for the pursuit of “*Viksit Bharat*”, this budget envisages sustained efforts on the following 9 priorities for generating ample opportunities for all.
  1. Productivity and Resilience in Agriculture
  2. Employment and Skilling
  3. Inclusive Human Resource Development and Social Justice
  4. Manufacturing & Services
  5. Urban Development
  6. Energy Security
  7. Infrastructure
  8. Innovation, Research & Development and
  9. Next Generation Reforms
- Subsequent budgets will build on these and add more priorities and actions. Detailed actions for the fulfilment of these priorities with potential for transformative changes and covers previously announced initiatives with an intent to strengthen them and step up their implementation for expediting the journey towards the goal of Viksit Bharat.

#### **Priority 1: Productivity and resilience in Agriculture**

##### **Transforming Agriculture Research:**

- Comprehensive review of agriculture research setup to focus on productivity and developing climate resilient varieties.
- Funding will be provided in challenge mode, including to the private sector.
- Oversight of conduct of research by domain experts from both government and non-government sectors.

##### **Vegetable Production & Supply Chains:**

- Development of large-scale vegetable production clusters near major consumption centres.
- Promotion of Farmer-Producer Organizations, cooperatives, and start-ups for vegetable supply chains including for collection, storage, and marketing.

##### **Digital Public Infrastructure for Agriculture:**

- With the success of the pilot project, in partnership with the states, implementation of Digital Public Infrastructure (DPI) in agriculture for farmers and their lands in 3 years.
- Digital crop survey for Kharif in 400 districts during this year.
- Registration of details for 6 crore farmers and their lands will be brought into the farmer and land registries.
- Issuance of Jan Samarth-based Kisan Credit Cards in 5 states.

## **Priority 2: Employment & Skilling**

### **Employment Linked Incentive:**

- Government has introduced 3 schemes to encourage employment. These will be based on enrolment in the EPFO and focus on the recognition of the First-time employees, and support to employees and employers.

	<b>Enrolment Duration</b>	<b>Beneficiaries</b>	<b>Central Outlay</b>
	<b>Year</b>	<b>(lakhs)</b>	<b>(Crore)</b>
Employment Linked Incentive			
Scheme A (first timers)	2	210	23,000
Scheme B (bulk hiring of first timers in manufacturing)	2	30	52,000
Scheme C (job creation)	2	50	32,000
Internship Programme (Phase-1)	2	30	19,000
Internship Programme (Phase-2)	3*	70	44,000
Upgradation of ITIs	N/A	20	30,000
<b>Total</b>		<b>410</b>	<b>2,00,000</b>
<i>* starting from third year</i>			

### **Scheme A: First Timers**

- Provides one-month wage for first-time employees in formal sectors.
- Direct benefit transfer of up to Rs. 15,000 in 3 instalments to all employees, as registered under EPFO.
- Salary of less than Rs. 1 lakh per month is the eligibility criteria.
- First timers have a learning curve before they become fully productive, subsidy is to assist employees and employers in hiring of first timers.
- Employee must undergo compulsory online Financial Literacy course before claiming the second instalment.
- Subsidy to be refunded by employer if the employment to the first timer ends within 12 months of recruitment.
- Expected to cover approximately one crore persons per annum.
- Scheme will be for 2 years.

### **Scheme B: Job Creation in Manufacturing**

- Incentivize additional employment in manufacturing sector, linked to employment of first-time employees.
- Provide incentives to both employees and employers based on EPFO contributions for the first 4 years of employment.
- Scheme is expected to benefit 30 Lakh youth and their employers.
- Employer must hire at least the following number of previously non EPFO enrolled workers:  
50 %or  
25% of the baseline (previous year’s number of EPFO employees) [*whichever is lower*]
- Incentive will be paid for four years partly to the employee and partly to the employer as follows:

<b>Year</b>	<b>Incentive (as % of wage / salary, shared equally between employer &amp; employee)</b>
1	24
2	24
3	16
4	8

- Employer must maintain threshold level of enhanced employment throughout, failing which subsidy benefit will stop.
- Employee must be directly working in the entity paying salary/wage (i.e. in-sourced employee).
- Employees with a wage/ salary of up to Rs. 1 lakh per month will be eligible, subject to contribution to EPFO.
- For those with wages/salary greater than Rs. 25,000/month, incentive will be calculated at Rs. 25,000/month.
- Subsidy to be refunded by employer if the employment to first timer ends within 12 months of recruitment.
- This subsidy will be in addition to benefit under Part-A Scheme will be for 2 years

### **Scheme C: Support to Employers**

- Employer- focused scheme will cover additional employment across all sectors.
- All additional employment within a salary of Rs. 1 lakh per month will be eligible.
- Government will reimburse to employers up to INR 3,000 per month for 2 years towards EPFO contributions for each new employee.
- Scheme is expected to incentivize additional employment of 50 Lakh Persons.
- Applicable to an employer who:
  - a. Increases employment above the baseline (previous year’s number of EPFO employees) by at least two employees (for those with less than 50

- employees) or 5 employees (for those with 50 or more employees) and sustains the higher level, and
- b. For employees whose salary does not exceed Rs. 1,00,000/month
- c. New employees under this Part need not be new entrants to EPFO
- If the employer creates more than 1000 jobs:
  - a. Reimbursement will be done quarterly for the previous quarter
  - b. Subsidy will continue for the 3rd and 4th year on the same scale as Employer benefit in Part-B
- Not applicable for those Employees covered under Part-B.
- This subsidy will be in addition to benefit under Part-A.
- Scheme will be for 2 years.

### **Participation of Women in the Workforce:**

- Setting up working women hostels and creches in collaboration with industry.
- Organizing women-specific skilling programs and promoting market access for women SHG enterprises.

### **Skilling Program:**

- New centrally sponsored scheme, as the 4<sup>th</sup> scheme under the Prime Minister's package to skill 20 lakh youth over 5 years, in collaboration with the States government and industry.
- 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.
- Alignment of course content with industry skill needs and introduction of new courses for emerging needs.
- Capacity augmentation of 5 national institutes for training of trainers
- 20 lakh students expected to benefit

### **Skilling Loans:**

- Revision of the Model Skill Loan Scheme to facilitate loans up to INR 7.5 lakh with a guarantee from a government promoted Fund.
- This is Expected to help 25,000 students every year.

### **Education Loans:**

- Financial support for loans up to INR 10 lakh for higher education in domestic institutions for youth who have not been eligible for any benefit under government schemes and policies.
- E-vouchers for this purpose will be given directly to 1 lakh students annually for an interest subvention of 3% of the loan amount.

## **Priority 3: Inclusive Human Resource Development and Social Justice**

### **Major Announcements for multiple infrastructure and development projects in the states of Bihar and Andhra Pradesh:**

#### **PM Awas Yojana:**

- Addition of 3 crore houses in rural and urban areas for which the necessary allocations are being made.

#### **Priority 4: Manufacturing & Services**

- Emphasis on financing, regulatory changes, and technology support for MSMEs to enhance growth and global competitiveness, as mentioned in the interim budget.
- Introduce a scheme for MSMEs to obtain term loans for purchase of machinery without collateral or third-party guarantee, a credit guarantee scheme will be introducing, with a guarantee cover up to Rs. 100 crore while the loan amount may be larger.
- Public sector banks will build their in-house capability to assess MSMEs for credit, instead of relying on external assessment. They will also take a lead in developing or getting developed a new credit assessment model, based on the scoring of digital footprints of MSMEs in the economy.
- Increase Mudra loan limit to Rs. 20 lakh from the current 10 Lakh for successful repaid previous loans under the 'Tarun' category.
- For facilitating MSMEs to unlock their working capital by converting their trade receivables into cash Lower turnover threshold for mandatory onboarding to the TReDS platform from ₹500 crore to ₹250 crore.
- Financial support to be provided for 50 food irradiation units and 100 food safety testing labs with NABL accreditation.

#### **Internship in Top Companies:**

- As the 5th scheme under the Prime Minister's package, Comprehensive scheme will be provided for internship opportunities in 500 top companies to 1 Crore youth in 5 Years.
- An internship allowance of Rs. 5000 per month along with one time assistance of Rs. 6000 per month will be provided.
- They will gain exposure for 12 months to real life business environment, varied professions and employment opportunities.
- The Training cost and Internship cost of 10 % will be beared by companies from their CSR Fund.
- Applicable to those who are not employed and not engaged in full time education.
- Youth aged between 21 and 24 will be eligible to apply.
- Cost sharing (per annum):
  - a. Government – Rs. 54,000 towards monthly allowance (plus Rs. 6,000 grant for incidentals)
  - b. Administrative costs to be borne by respective parties (for the Company, reasonable administrative expenses can be counted as CSR expenditure)
- Participation of companies is voluntary.
- Applications through an online portal.
- Company to select from a short list; short listing based on objective criteria with emphasis on those with lower employability.
- Ineligible candidates (indicative list)
  - a. Candidate has IIT, IIM, IISER, CA, CMA etc as qualification
  - b. Any member of the family is assessed to Income Tax
  - c. Any member of the family is a government employee, etc.
- Will be co-ordinated with State Government initiatives wherever applicable.
- Phase 1 of the scheme will be for 2 years followed by Phase 2 for 3 years.



### **Industrial Parks:**

- Develop investment-ready "plug and play" industrial parks in or near 100 cities in partnership with the states and private sector by using town planning schemes.
- Sanction 12 industrial parks under the National Industrial Corridor Development Programme.

### **Shipping Industry:**

- Implement reforms in ownership, leasing, and flagging to boost the Indian shipping industry and generate more employment.

### **Critical Mineral Mission:**

- Establish a mission for domestic production and recycling of critical minerals, including technology development and overseas acquisition of critical mineral assets.
- Its mandate will include technology development, skilled workforce, extended producer responsibility framework, and a suitable financing mechanism.

## **Priority 5: Urban Development**

### **Urban Housing:**

- Provide interest subsidies for affordable housing loans.

### **Stamp Duty:**

- Encourage states to charge high to moderate stamp duty for all and also consider further lowering duties for properties purchased by women.

## **Priority 6: Energy Security**

### **Energy Transition:**

- Government will develop a policy document outlining energy transition pathways that balance the imperatives of employment, growth, and environmental sustainability in the view of strategy to sustain high and more resource-efficient economic growth, along with energy security in terms of availability, accessibility and affordability, as mentioned in the interim budget.

### **Research and development of small and modular nuclear reactor:**

- Nuclear energy is expected to form a significant part of the energy mix for Viksit Bharat.
- Towards this pursuit, government will partner with the private sector for
  - (1) Setting up Bharat Small Reactors,
  - (2) Research & Development of Bharat Small Modular Reactor, and
  - (3) Research & Development of newer technologies for nuclear energy.
- The R&D funding announced in the interim budget will be made available for this sector.

### **Roadmap for ‘Hard to Abate’ Industries:**

- Create a roadmap to transition these industries from energy efficiency to emission targets.
- Implement regulations for shifting from ‘Perform, Achieve and Trade’ to ‘Indian Carbon Market’ mode.

### **Priority 7: Infrastructure**

#### **Infrastructure investment by Central Government Investment:**

- Endeavour to maintain strong fiscal support for infrastructure over the next 5 years, in conjunction with imperatives of other priorities and fiscal consolidation. This year, budget of Rs. 11,11,111 crore for capital expenditure has been provided. This would be 3.4 per cent of our GDP.

#### **Infrastructure investment by State Government Investment:**

- States are encouraged to provide infrastructure, subject to their development priorities.
- A provision of Rs.1.5 lakh crore for long-term interest-free loans has been made to support states' resource allocation.

### **Priority 8: Innovation, Research & Development:**

- Continued emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of Rs. 1,000 crore will be set up for space economy.

### **Priority 9: Next Generation Reforms**

#### **Economic Policy Framework:**

- Develop a comprehensive framework to guide economic development and next generation of reforms for facilitating employment opportunities and sustaining high growth.
- Initiate and incentivize reforms for (1) improving productivity of factors of production, and (2) facilitating markets and sectors to become more efficient. These reforms will cover all factors of production, namely land, labour, capital and entrepreneurship, and technology as an enabler of improving total factor productivity and bridging inequality.

#### **Land-Related Reforms:**

- Land-related reforms and actions, both in rural and urban areas, will cover (1) land administration, planning and management, and (2) urban planning, usage and building bylaws. These will be incentivized for completion within the next 3 years through appropriate fiscal support.
- **Rural Land related actions:** Rural land related actions will include (1) assignment of Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar for all lands, (2) digitization of cadastral maps, (3) survey of map sub-divisions as per current

ownership, (4) establishment of land registry, and (5) linking to the farmers registry. These actions will also facilitate credit flow and other agricultural services.

- **Urban Land related actions:** Digitize land records with GIS mapping, establish IT-based property record systems, and improve urban financial management.

#### **Labour-Related Reforms:**

- Integrate e-shram portal with other platforms to streamline job matching and skill development and open architecture database.
- **Shram Suvidha & Samadhan Portal:** Revamp Shram Suvidha and Samadhan for better compliance and ease of doing business.

#### **Ease of Doing Business:**

- **Jan Vishwas Bill 2.0:** Focus on enhancing ease of doing business with further digitalization and state incentives.

*(This space has intentionally been left blank)*

## **Part B - Regulatory Announcements:**

### **1.) Integrated Technology Platform for IBC ecosystem:**

- Set up a platform to improve Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.

### **2.) Voluntary Closure of LLPs:**

- The services of the Centre for Processing Accelerated Corporate Exit (C-PACE) will be extended for voluntary closure of LLPs to reduce the closure time.

### **3.) National Company Law Tribunals:**

- The IBC has resolved more than 1,000 companies, resulting in direct recovery of over Rs. 3.3 lakh crore to creditors. In addition, 28,000 cases involving over Rs. 10 lakh crore have been disposed of, even prior to admission.
- Strengthen and expedite insolvency resolution, with additional tribunals will be initiated to speed up insolvency resolution to handle cases under the Companies Act.
- Additional Tribunals will be established. Out of those, some will be notified to decide cases exclusively under the Companies Act.

### **4.) Debt Recovery:**

- Reform and strengthen debt recovery tribunals with additional establishments to speed up recovery processes.

### **5.) Capital and Entrepreneurship Reforms:**

- **Financial sector vision and strategy:** Develop a vision document for the financial sector to guide future growth and capacity. This will set the agenda for the next 5 years and guide the work of the government, regulators, financial institutions and market participants.
- **Taxonomy for Climate Finance:** Create a taxonomy for climate finance to support green transition and climate commitments.
- **Variable Capital Company Structure:** Seek legislative approval for a flexible financing structure for leasing of aircrafts and ships and pooled funds of private equity through a 'variable company structure'.

### **6.) Foreign Direct Investment (FDI) and Overseas Investment:**

- The rules and regulations for Foreign Direct Investment and Overseas Investments will be simplified to (1) facilitate foreign direct investments, (2) nudge prioritization, and (3) promote opportunities for using Indian Rupee as a currency for overseas investments.

## **Part C - Direct Tax:**

### **1. PERSONAL TAXES**

#### **A. Changes in Slab Rates introduced vide Finance (No.2) Bill 2024**

The existing slab rates (FY 2023-34) in comparison to proposed slab rates (FY 2024-25) announced in the Budget 2024 are as follows under the new tax regime u/s 115BAC:

Existing Slab rate			Proposed Slab rate	
Sl. No.	Total income	Rates of Tax	Total income	Rates of Tax
1	Upto INR 3,00,000	Nil	<b>Upto INR 3,00,000</b>	<b>Nil</b>
2	From INR 3,00,001 to INR 6,00,000	5%	<b>From INR 3,00,001 to INR 7,00,000</b>	<b>5%</b>
3	From INR 6,00,001 to INR 9,00,000	10%	<b>From INR 7,00,001 to INR 10,00,000</b>	<b>10%</b>
4	From INR 9,00,001 to INR 12,00,000	15%	<b>From INR 10,00,001 to INR 12,00,000</b>	<b>15%</b>
5	From INR 12,00,001 to INR 15,00,000	20%	<b>From INR 12,00,001 to INR 15,00,000</b>	<b>20%</b>
6	Above INR 15,00,000	30%	<b>Above INR 15,00,000</b>	<b>30%</b>

#### **B. Proposal to increase following Deductions**

- Section 16:** The standard deduction u/s 16(1a) under new tax regime u/s 115BAC(1A)(ii), from Rs. 50,000 to Rs.75,000.
- Section 57:** The deduction limit under new tax regime u/s 115BAC(1A)(ii) in case of income in the nature of family pension, from Rs.15,000 to Rs.25,000, accordingly a deduction of deduction of a sum equal to thirty-three and one-third percent of such income or Twenty five thousand rupees, whichever is less, shall be made before computing the income chargeable under the head "Income from other sources.

3. **Section 36(1)(iva):** Increase in the amount allowable as deduction to the employers u/s 36(1)(iva) for employer's contributions to a pension scheme from 10% to 14% of the employee's salary.
4. **Section 80CCD(2):** Contributions made by any employer (excluding Central or State Government) will be deductible up to 14% of the employee's salary provided the employee's salary is chargeable to tax under the new regime i.e. section 115BAC(1A).

These changes will take effect from April 1, 2025, and will accordingly apply from assessment year 2025-2026 onwards.

## C. Rationalisation and Simplification of taxation of Capital Gains

### a. Amendment to section 2

- It is proposed to amend Section 2 (22) to insert sub clause (f) **with effect from the 1st day of October 2024** and omit item (iv) to provide that buyback of shares, in accordance with the provisions of section 68 of the Companies Act, 2013, is now covered under section 2(22)(f) as dividend.
- It is also proposed to amend the said clause so as to provide that a "short-term capital asset" would mean a capital asset held by an assessee for not more than twenty-four months immediately preceding the date of its transfer.
- Resultantly, there will only be two holding periods, 12 months and 24 months, for determining whether the capital gains is short-term capital gains or long term capital gains. For all listed securities, the holding period is proposed to be 12 months and for all other assets, it shall be 24 months.
- Units of listed business trust will now be at par with listed equity shares at 12 months instead of earlier 36 months. The holding period for bonds, debentures, gold will reduce from 36 months to 24 months. For unlisted shares and immovable property it shall remain at 24 months.
- This amendment will take **effect from 23rd July, 2024.**

### b. Amendment to section 48

- The Bill seeks to amend section 48 of the Income-tax Act relating to mode of computation.
- The second proviso to the said section provides indexation benefit where long-term capital gain arises from the transfer of a long-term capital asset, other than capital gain arising to a non-resident from the transfer of shares in, or debentures of, an Indian company.
- Indexation available under second proviso to section 48 is proposed to be removed for calculation of any long-term capital gains which is presently available for long term capital asset.
- This amendment will take **effect from 23rd July, 2024.**

### c. Amendment to section 50AA

- The Finance Act, 2023 had introduced a special taxation regime of deemed short term capital gains taxation for Market Linked Debentures and Specified Mutual Funds by way of introduction of section 50AA of the Act. The gains in such cases were to be taxed as Short-term Capital Gain irrespective of period of holding.
- Unlisted debentures and unlisted bonds (being debt in nature) are proposed to be brought to tax at applicable rates by including them under provisions of section 50AA of the Act.
- It is further proposed to substitute the clause (ii) of the Explanation and its proviso **from 01 April 2026** to provide that
  - (A) "Specified Mutual Fund" means a
    - (a) Mutual Fund by whatever name called, which invests more than sixty-five per cent of its total proceeds in debt and money market instruments, or
    - (b) a fund which invests sixty-five per cent or more of its total proceeds in units of a fund referred to in sub-clause (a),

Provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures,

Provided further that "debt and money market instruments" shall include any securities, by whatever name called, classified or regulated as debt and money market instruments by the Securities and Exchange Board of India.

#### **d. Amendment to Section 55**

- Section 55 of the Income-tax Act relating to meaning of "adjusted, "cost of improvement" and "cost of acquisition".
- It is proposed to amend sub-clause (iii) of clause (a) of the Explanation to clause (ac) of sub-section (2) of section 55 of the Act, to specifically provide that in a case where the capital asset is an equity share in a company which is not listed on a recognised stock exchange as on the 31st day of January, 2018, or which became the property of the assessee in consideration of share which is not listed on such exchange as on the 31st day of January, 2018 by way of transaction not regarded as transfer under section 47, but listed on such exchange subsequent to the date of transfer (where such transfer is in respect of sale of unlisted equity shares under an offer for sale to the public included in an initial public offer) to fall within the purview of this section for determination of cost of acquisition.
- This amendment is proposed to be deemed to have been inserted with effect from the 1st day of April, 2018 and shall accordingly apply retrospectively from assessment year 2018-19 onwards.

#### **e. Amendment to Section 57**

- It is proposed to amend the said clause to exclude the dividend referred in sub-clause (f) of clause (22) of section 2 (buyback of shares) for the purposes of the said clause and that no deduction shall be allowed in case of such dividend income.
- These amendments will take effect **from 1st October, 2024**

**f. Amendment to section 111A**

- The rate for short-term capital gain under provisions of section 111A of the Act on STT paid equity shares, units of equity oriented mutual fund and unit of a business trust is proposed to be increased to 20% from the present rate of 15% as the present rate is too low and the benefit from such low rate is flowing largely to high net worth individuals as per the Government. Other short-term capital gains shall continue to be taxed at applicable rate.
- These amendments will take **effect from 23 July 2024**.

**g. Amendment to section 112 and section 112A**

- The rate of long-term capital gains under provisions of various sections of the Act is proposed to be 12.5% in respect of all categories of assets. This rate earlier was 10% for STT paid listed equity shares, units of equity-oriented fund and business trust under section 112A and for other assets it was 20% with indexation under section 112.
- However, an exemption of gains upto 1.25 lakh (aggregate) is proposed for long-term capital gains under section 112A on STT paid equity shares, units of equity oriented fund and business trust, thus, increasing the previously available exemption which was upto 1 lakh of income from long term capital gains on such assets.
- For listed bonds and debentures, the rate shall be reduced to 12.5%. Unlisted debentures and unlisted bonds are of the nature of debt instruments covered u/s 50AA and therefore any capital gains on them should be taxed at applicable rate treating as short term capital asset.
- These amendments will take **effect from 23 July 2024**.

Particulars	Long Term	Short Term	Holding Period
Listed equity (including listed business trust and equity oriented mutual fund)	12.5%	20%	12 Months
Unlisted Equity	12.5% (No indexation benefit)	Slab rates	24 Months
Other Assets (Immovable assets, gold, other unlisted assets etc.)	12.5% (No indexation benefit)	Slab rates	24 Months
Listed Debentures/ Bonds	12.50%	Slab rates	24 Months
Unlisted debentures, bonds, market linked debentures like		Slab rates	Not



fund		Relevant
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#### **D. Amendments under Black Money Act, 2015 relaxing the penalty provisions for failure to disclose foreign asset in the ITR**

- Section 42 of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (the Black Money Act) provides for penalty for failure to furnish details of foreign income and assets in the return of income. In view of the above, every resident and ordinarily resident, while filing the return of income, shall disclose all foreign assets (including investment in shares and securities) and income from such foreign assets in the Income Tax Return. Failure to furnish the ITR in relation to foreign income and asset or to report such foreign income and assets located outside India in the ITR may attract a penalty under section 42 or 43 of the Black Money Act, of an amount of ten lakh rupees regardless of the value of asset located outside India.
- This provision has significant difficulties in genuine cases where the quantum of such assets are insignificant or of lower amounts, while penalty amount is same even for such cases.
- In view of the above, it is proposed to amend the provisos to sections 42 and 43 of the Black Money Act to stipulate that the provisions of these sections will not apply to asset or assets (other than immovable property) where the aggregate value of such asset or assets does not exceed **twenty lakh rupees**.
- These changes will take effect from 1st day of October, 2024.

#### **E. Amendment to include the liabilities under Black Money Act, 2015 for the purposes of obtaining a tax clearance certificate at the time of departure from India**

- It is proposed to amend section 230(1A) of the Act which requires a person (domiciled in India) to obtain a Tax Clearance Certificate from the Income Tax department while departing from India in the specified circumstances. The existing section does not cover any existing or potential liability under the Black Money Act (BMA) within the purview of this certificate.
- Accordingly, the scope of the section has been enhanced and any such liabilities under the BMA are also required to be covered under the said certificate. This amendment will come into effect from the 1st day of October, 2024.

#### **F. Deduction from family pension for taxpayers in tax regime**

- With the aim of encouraging and incentivizing taxpayers to shift to the new tax regime, it is proposed to amend section 57 to provide that in a case where income-tax is computed section 115BAC of the Act (new tax regime), deduction in case of income in

the nature of family pension has been increased from fifteen thousand rupees to twenty five thousand rupees.

- These amendments will take effect **from the 1st day of April, 2025**, and will accordingly apply to assessment year 2025-26 and subsequent assessment years.

## **G. Others Key proposals**

- To enhance the tracking of luxury expenditures by high net worth individuals and to broaden the tax base, it is proposed to amend Section 206C(1F) of the Act. The amendment will extend the provision for the collection of tax at source (TCS) @ 1% to include any notified luxury goods with a value exceeding ten lakh rupees, in addition to motor vehicles. This change will take effect from 1st January 2025.
- It is proposed to increase the rates of **securities transaction tax** on the sale of an option in securities **from 0.0625% to 0.1% of the option premium**, and **on the sale of a future in securities from 0.0125% to 0.02%** of the price at which such futures are traded. This change will take effect from 1st day of October, 2024.
- To prevent the misreporting of rental income as 'Profits and gains of business or profession' rather than 'Income from house property,' Section 28 of the Act is proposed to be amended to specify that rental income from residential properties must be classified under 'Income from house property.' This change will take effect from April 1, 2025, for the assessment year 2025-26 and onward.
- Section 40 of the Act specifies amounts that are non-deductible when computing income under "Profits and gains of business or profession". Sub-clause (v) of clause (b) disallows remuneration payments to working partners if they exceed the specified limits in the partnership deed. The current limits, in effect since AY 2010-11, are INR 1,50,000 or 90% of book profit (whichever is higher) for the first INR 3,00,000 of book profit, and 60% on the remaining book profit. It is proposed to amend these limits to INR 3,00,000 or 90% of book profit (whichever is higher) for the first INR 6,00,000 of book profit, maintaining the 60% rate for the balance. This change will take effect from April 1, 2025.
- **Amendments to the Benami Act**
  - Immunity from penalty available to benamidar (or any other person except the beneficial owner) if they disclose the benami transaction details
  - Immunity can be revoked if the person fails to comply with the conditions, conceals anything, or gives false evidence
- Section 193 of the Act, which mandates the deduction of tax at source on interest income from securities paid to residents, will be amended to include the **Floating Rate Savings Bonds (FRSB) 2020 (Taxable)**. The amendment specifies that tax will be deducted at source on interest payments **exceeding ten thousand** rupees for FRSB 2020 and any other government securities as notified by the Central Government. This change will take effect from 1st October 2024.

## **2. CORPORATE TAXES**

### **A. Amendment for withdrawal of Equalisation Levy @ 2%**

- Chapter VIII of the Finance Act, 2016 related to equalisation levy was amended by Finance Act, 2020 to provide for imposition of equalisation levy (EL) of two per cent on the amount of consideration received/ receivable by an e-commerce operator from e-commerce supply or services. The levy is imposed on the amount of consideration received or receivable from: (i) online sale of goods owned by the e-commerce operator; or (ii) online provision of services provided by the e-commerce operator; or (iii) online sale of goods or provision of services or both, facilitated by the e-commerce operator; or (iv) any combination of the above-mentioned activities.
- However, the levy is not applicable where the e-commerce operator has a permanent establishment (PE) in India, and the e-commerce supplies or services are effectively connected with such PE.
- Some stakeholders have raised concerns that the scope of 2% EL is ambiguous and as a result it leads to compliance burden. Further, the FM in the post budget press conference mentioned that this EL won't be required further considering that BEPS Pillar 1 & 2 measures to which India is a party are in the final stages of enactment.
- In view of the above, it is proposed that the 2% EL shall not apply to consideration received or receivable for e-commerce supply or services on or after August 1, 2024. Any service which was liable to equalisation levy was exempt in sub-section (50) of section 10 subject to certain conditions. Consequently as the 2% levy is being made inapplicable, it is proposed that income arising from e-commerce supply or services made or provided or facilitated on or after the 1st day of April, 2020 but before the 1st day of August, 2024 only, shall fall in the ambit of clause (50) of section 10 of the Act.
- These changes will take effect from 1st day of August, 2024.

### **B. Change in tax rate for Foreign Companies**

In case of Companies other Domestic Companies i.e., Foreign Companies, it is proposed for reduction in the tax rate from existing 40% to 35% on income other than that chargeable at special rates specified in Chapter XII of the Act (eg. 115, 115A, 115AB etc).

### **C. Tax on distributed income of domestic company for buy-back of shares (amendment to Section 46A and section 115QA)**

- The Bill seeks to amend section 46A of the Income-tax Act relating to capital gains on purchase by company of its own shares or other specified securities.
- The said section provides that where a shareholder receives any consideration from any company for purchase of its own shares, the difference between the cost of acquisition and the value of consideration received by the shareholder, shall be deemed to be the capital gains arising to such shareholder in the year in which such shares or other specified securities were purchased by the company.

- It is proposed to insert a proviso to the said section so as to provide that where the shareholder receives any consideration of this nature (now covered as dividend u/s 2 (22)(f) of the Act) from any company on or after the 1st day of October, 2024, then the value of consideration received by the shareholder shall be deemed to be nil.
- This will tax the buy back as dividend in hands of shareholders, and the cost of acquisition of shares to be treated as capital loss with set off to be claimed against any other capital gains. This amendment has been made under the heading of 'Deepening of tax base and anti-avoidance' with the objective to bring parity between taxation of buybacks and dividends.
- Corresponding amendment has been made to Section 115QA.
- This amendment will take **effect from 1st October, 2024** and will accordingly apply to any buy-back of shares that takes place on or after this date.

#### **D. Amendment under section 47 to restrict the transfer of capital assets by way of gift or will etc.**

- Section 47 of the Act provides exclusion to certain transactions not regarded as transfer for the purposes of chargeability under 'Capital Gains' under section 45.
- Clause (iii) of section 47 covers transfer of a capital asset under a gift or will or an irrevocable trust. The first proviso to the said clause makes an exception to the clause in respect of specified ESOPs.
- It is proposed to substitute the said clause restricting such transfers only in case of transfer of a capital asset by an individual or a Hindu undivided family under a gift or will or an irrevocable trust.
- The government has clarified that such transfers by Companies is not in sync with the intention of the section.
- This amendment will take effect from 1st April, 2025 and will, accordingly, apply to assessment year 2025-2026 and subsequent years.

#### **E. Amendment to Section 56 (Income from Other Source- Angel Tax)**

- Section 56(2)(viib) provides that where a company, not being a company in which the public are substantially interested, receives, in any previous year, from any person being a resident, any consideration for issue of shares, if the consideration received for issue of shares exceeds the face value of such shares, the aggregate consideration received for such shares exceeding fair market value shall be chargeable to income tax under the head "Income from other sources".
- This section has resulted significant difficulties for entire ecosystem of Indian startups and impacted adversely to the fund raising capacity of the Indian startups from overseas investors resulting in heavily impacting the competitiveness and expansion of the said ecosystem as a major hindrance. In view of the same, large no. of Industry representations has been made to the Government for removing this regime.
- Accordingly, it is proposed to sun-set the above provisions of section 56 of the Act to provide the necessary fillip to the entire ecosystem. Consequently, amendment to clause (viib) of sub-section (2) of section 56 of the Act is being carried out to provide that the provisions of this clause shall not apply from the assessment year 2025-26.

- This amendment is proposed to be made effective from the 1st day of April, 2025, and shall accordingly apply from assessment year 2025-26.

#### **F. Amendments to section 115AD, 115AB, 115AC, 115ACA and 115E**

In order to bring parity of taxation between residents and non-residents for Capital gains and related incomes, corresponding amendments to section 115AD (Foreign Institutional Investors from securities or capital gains arising from their transfer), 115AB (units purchased in foreign currency or capital gains arising from their transfer), 115AC (bonds or Global Depository Receipts purchased in foreign currency or capital gains arising from their transfer), 115ACA (Global Depository Receipts purchased in foreign currency or capital gains arising from their transfer) and 115E (investment income and long-term capital gains by NR) are being made to align the rates of taxation in respect of long-term capital gains proposed under section 112A and 112 and rates of short term capital gains proposed under section 111A.

#### **G. Amendments proposed in section 276B of the Act on Withholding Tax related prosecutions for decriminalisation of this non-compliance**

- In view of the long pending industry demand for decriminalisation of such provisions particularly in case of very senior functionaries of the Corporates in case of minor/short delays for genuine reasons, the FM has now proposed a significant amendment to section 276B of the Act for any such short delays in deposit of the withholding taxes deducted by taxpayers.
- It is now provided that the prosecution would not apply if the concerned amount is deposited to the credit of the Central Government by the due date of filing of withholding tax statement for the said quarter to which that payment pertains to. It has also been mentioned in the Budget speech that the Government will rationalize the compounding guidelines and come up with said guidelines in due course for further simplification.
- This amendment will take effect from 1st October 2024.

#### **H. Rationalisation of provisions relating to assessment and reassessment under the Act**

- In the existing provisions, the process for issuing a notice u/s 148A is complex involving multiple procedural requirements including obtaining multiple approvals of Senior officers which leads to different interpretations, procedural lapses, etc. leading to increased ambiguity and litigations.
- It is proposed to amend section 148A to provide a simple and clear mechanism (instead of multi layered enquires and approvals) wherein if the AO has information suggesting that income chargeable to tax has escaped assessment, AO shall first issue a notice to the assessee to show cause why a notice u/s 148 should not be issued, accompanied by the relevant information at this first stage itself. The assessee is required to furnish his response within the specified time as stated in the notice (instead of earlier timelines of 7/ 30 days).

- Based on the material and the assessee's response, and with prior approval from the specified authority, the AO can issue a notice u/s 148. The specified authority is also now provided for all the cases (including section 151) whether covered under regular timeline or extended timeline as Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director.
- Additionally, any information from surveys conducted u/s 133A, excluding sub-section 2A, from 1st September 2024 onwards will be considered as 'information' suggesting income escapement. Furthermore, if the Assessing Officer has received information under the scheme notified u/s 135A, no notice u/s 148 shall be issued without prior approval from the specified authority.
- The time limitation for issuance of notice u/s 148A and section 148 of the Act is proposed to be revised u/s 149 of the Act as follows:
  - in normal cases, no notices shall be issued if three years and three months u/s 148 and three years u/s 148A, have elapsed from the end of the relevant AY;
  - in specific cases, notice u/s 148 can be issued beyond the period of three years and three months but not beyond the period of five years and three months from the end of the relevant AY, where the AO has in his possession books of account or other documents or evidence related to any asset or expenditure or transaction or entry (or entries) which reveal that the income chargeable to tax, which has escaped assessment amounts to or is likely to amount to INR 50 lakh or more;
  - in specific cases, notice u/s 148A can be issued beyond the period of 3 years but not beyond the period of 5 years from the end of the relevant AY where as per the information with the AO, the income escaping assessment amounts to or is likely to amount to INR 50 lakh or more.
- These amendments will take effect from 1st September 2024.

#### **I. Rationalisation of provisions related to time-limit for completion of assessment, reassessment and recomputation**

- It is proposed to insert sub section (1B) into Section 153, which will specify that assessments under sections 143 and 144 must be completed within twelve months from the end of the financial year in which the return was filed by taxpayers who filed a return following an order under clause (b) of subsection (2) of section 119.
- Further, the sub section (3) of Section 153 is proposed to be amended to include Section 250 in order to provide the time-limit for disposal of cases which are proposed to be set aside by the CIT(A).
- Furthermore, it is proposed to amend sub-section (8) of the said section to provide the timeline for passing of order in the case of revived assessment or reassessment proceedings as a consequence of annulment of block assessments under Chapter XIV-B of the Act.

- Additionally, it is proposed to amend Explanation 1(xii) of the section by inserting a 6th proviso to extend the limitation period by setting the end date to the last day of the month following the exclusion of up to 180 days from the date of search initiation to when books of account/documents/seized materials are handed over to the AO.
- These amendments will come into effect from 1st October 2024.

#### **J. Amendments in sections 245Q and 245R related to Advance Rulings allowing withdrawal of old applications**

- In view of the change of procedure of Advance Ruling from AAR to Board for Advance Rulings (BAR), Government has received representations that multiple applicants want to withdraw their pending applications for multiple reasons such as the major time lag, non-binding nature of the ruling of BAR, however there is no mechanism available for the same for such applications transferred to BAR from the old regime.
- Accordingly, to facilitate such cases it is now proposed to provide an option to such applicants to place a request for such withdrawal with the BAR by 31st October 2024, and BAR can reject such application as withdrawn by 31st December, 2024 passing an order in this regard.
- This amendment will take effect from 1st October, 2024.

#### **K. Rationalisation of Tax Deducted at Source (TDS) & Tax Collected at Source (TCS) provisions**

##### **1. Change in TDS Rates:**

To enhance ease of doing business and improve taxpayer compliance, the government has proposed to reduce the Tax Deduction at Source (TDS) rates across various provisions. The new applicable TDS rates proposed vide Finance (No.2) Bill, 2024 are presented below for ready reference: -

<b>Section</b>	<b>Present TDS Rate</b>	<b>Proposed TDS Rate</b>	<b>With effect from</b>
Section 194D - Payment of insurance commission (in case of person other than company)	5%	2%	1.4.2025
Section 194DA - Payment in respect of life insurance policy	5%	2%	1.10.2024

Section 194G – Commission etc on sale of lottery tickets	5%	2%	1.10.2024
Section 194H - Payment of commission or brokerage	5%	2%	1.10.2024
Section 194-IB - Payment of rent by certain individuals or HUF	5%	2%	1.10.2024
Section 194M - Payment of certain sums by certain individuals or Hindu undivided family	5%	2%	1.10.2024
Section 194-O - Payment of certain sums by e-commerce operator to e-commerce participant	1%	0.10% *	1.10.2024
Section 194F - Payments on account of repurchase of units by Mutual Fund or Unit Trust of India	Proposed to be omitted		1.10.2024

\* **Section 194-O** of the Act states that an e-commerce operator is to deduct TDS at a rate of 1% on the gross amount of sales or services provided by an e-commerce participant when the sale or service is facilitated through the e-commerce operator's digital or electronic platform. However, representations were received that such offline transactions attract a lower TDS rate of 0.1% under Section 194Q (TDS on certain payments for purchase of goods) or a 0.1% TCS rate under Section 206C(1H) (TCS on receipts from the sale of goods). Hence, to bring parity between these provisions, reduction of the TDS rate under section 194-O from 1% to 0.1% is proposed.

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

- Earlier, there was no provision for considering TCS or all TDS while computing tax to be deducted on salary income and employees had to claim refunds for TCS and other TDS not considered in salary tax deductions, adding to compliance burdens.
- It is proposed to amend sub-section (2B) of Section 192 to include any tax deducted or collected to be taken into account for making the deduction under sub-section (1) of Section 192.
- These changes will take effect from October 1, 2024.

## **3. Alignment of interest rates for late payment to Government account of TCS**

- The interest rate for late deposit of Tax Collected at Source (TCS) u/s 206C is proposed to be increased from 1% to 1.5% per month. This change aims to align the TCS interest



rate with the higher rate of 1.5 % already applicable where tax is deducted at source (TDS) but not deposited to the Government as it deprives the deductee of due tax credit and does not reach the Central Government in time.

- These changes will take effect from 1st April, 2025.

#### **4. Claiming credit for TCS of minor in the hands of parent**

- It is proposed to introduce a provision in section 206C of the Act, to allow the Board to notify the rules for cases where credit of tax collected are given to person other than collectee. However, to ensure that this provision is not misused, credit of TCS of the minor shall only be allowed where the income of the minor is being clubbed with the parent as under sub-section (1A) of section 64 of the Act.
- These changes will take effect from 1st January, 2025.

#### **5. Amendment of provisions of TDS on sale of immovable property**

- It is proposed to amend sub-section (2) of section 194-IA of the Act to clarify that where there is more than one transferor or transferee in respect of an immovable property, then for transfer of immovable property shall be the aggregate of the amounts paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property as it has been observed 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.
- These changes will take effect from 1st October 2024.

#### **6. Insertion of new section 194T - TDS on payment of salary, remuneration, interest, bonus or commission by partnership firm to partners**

- It is proposed that a new TDS section 194T is inserted to bring payments such as salary, remuneration, commission, bonus and interest to any account (including capital account) of the partner of the firm under the purview of TDS for aggregate amounts more than Rs 20,000 in the financial year. Applicable TDS rate will be 10%.
- These changes will take effect from April 1, 2025.

#### **7. Time limit to file correction statement in respect of TDS/ TCS statements:**

- Currently, there is no defined time limit for submitting TDS & TCS correction statements, which lead to indefinite revisions and potential misuse, complicating matters for deductees and collectees.
- In order to put certainty and finality on the filing process of TDS and TCS statements, it is proposed to amend section 200 and sub-section (3B) of section 206C to provide that **no correction statement shall be filed after the expiry of six years from the end of the financial year** in which the statement referred to in sub-section (3) of section 200 and statement referred to in the proviso to sub-section (3) of section 206C are respectively filed.
- These changes will take effect from 1st April 2025.

## **8. Penalty for failure to furnish statements**

- It is proposed to amend section 271H of the Act, which deals with penalties for failure to furnish TDS/ TCS statements. The proposed amendment targets sub-section (3) of section 271H, which currently sets a time limit of one year for filing of such statements after payment of due tax along with any interest or fees. The amendment seeks to shorten this time limit from one year to one month. These changes will take effect from 1st April, 2025.
9. Section 206C of the Act, which mandates tax collection at source on transactions involving certain goods, will be amended to allow the Central Government to exempt specific entities or classes of persons, including institutions and associations, from TCS requirements or to apply a lower rate for specified transactions. These changes will take effect from 1st October 2024.

## **L. Time limit for passing of orders in case of Assessee in default with regard to TDS & TCS provisions rationalised**

Time limit for determining assessee in default for non-withholding of taxes on payments to resident and non-resident payee aligned with limitation now introduced for the first time for non-resident payments (which was always a contentious issue):

- Reduced from 7 years to 6 years from the end of the FY in which the payment/ credit is made or tax was collectible; or
- 2 years from the end of the FY in which the TDS correction statement is delivered, whichever is later.

## **M. Rationalisation of the provisions of Charitable Trusts and Institutions**

### **A. Merger of trusts under first regime with second regime**

- The Act puts in place two main regimes for trusts or funds or institutions to claim exemption. The first is contained in the provisions of sub-clause(s) (iv), (v), (vi) or (via) of clause (23C) of section 10. The second is contained in the provisions of sections 11 to 13 of the Act.
- To simplify procedures and reduce administrative burden, it is proposed to sunset the first regime and gradually transition trusts, funds, or institutions to the second regime.
- It is therefore proposed that the no new applications filed after October 1, 2024 seeking approval under first regime shall be considered and applications filed before 1st October, 2024, and which are pending would be processed and considered under the extant provisions of the first regime itself.
- Further, approved trusts, funds or institutions would continue to get the benefit of exemption, as per the provisions of sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10, till the validity of the said approval and after which they would be eligible to apply for registration, subsequently, under the second regime.
- These changes will take effect from 1st day of October, 2024.

**B. Condonation of delay in filing application for registration by trusts or institutions**

- It is proposed that the Principal Commissioner/Commissioner be empowered to condone delays in filing an application by a trust or institution desirous of seeking registration under section 12AB and treat such application as filed within time if there is a reasonable cause for the same.
- These changes will take effect from 1st October, 2024.

**C. Rationalisation of timelines for funds or institutions to file applications seeking approval under section 80G**

- The first proviso to section 80G(5) provides timelines for filing application for approval, for funds or institutions referred to in sub-clause (iv) of clause (a) of sub-section (2) of section 80G. The second proviso lays down the procedure for processing the same. It has been noted that at times funds or institutions are unable to file application within specified timelines. A situation of unintended permanent exit of fund or institution from section 80G approval may also arise. It is proposed to amend the first and second provisos to rationalise the timelines for filing applications for approval.
- These changes will take effect from 1st October, 2024.

**D. Rationalisation of timelines for disposing applications made by trusts or funds or institutions, seeking registration for exemption under section 12AB or approval under section 80G**

- It is proposed to rationalise the timelines for disposing of applications made by trusts, funds, or institutions to six months from the end of the quarter in which the application was received, in place of current timeline of six months from the end of the month in which the application was received for better administration and monitoring.
- Thus, where provisionally registered/ approved trusts or funds or institutions apply for registration/ approval or where registered/ approved trusts or funds or institutions apply for further registration/ approval under section 12AB or section 80G, as the case may be, the order granting registration/ rejecting application shall be passed before expiry of the period of six months from the end of the quarter in which the application was received.
- These changes will take effect from 1<sup>st</sup> October, 2024.

**E. Merger of trusts under the exemption regime with other trusts**

- It is proposed to insert a new section 12AC to provide greater clarity and certainty to the trust or institutions which are approved / registered under the first or second regime, as the case may be which merges with another approved / registered entity under either regime by prescribing conditions under the said merger will not attract the provisions of Chapter XII-EB (i.e. tax on accreted income).
- These changes will take effect from April 1, 2025.

## **F. Inclusion of reference of clause (23EA), clause (23ED) and clause (46B) of section 10 in sub-section (7) of section 11**

- It is proposed to amend sub-section (7) of section 11 of the Act to include references to clause (23EA), clause (23ED), and clause (46B) of section 10, to enable the trusts under the second regime to claim exemptions under these specific clauses of section 10.
- These changes will take effect from April 1, 2025.

## **N. Direct Tax Vivad se Vishwas Scheme, 2024**

### • **Background**

The Income-tax Act, 1961 provides a mechanism for filing appeals against orders passed under its proceedings by both taxpayers and the Department before respective appellate fora, such as the Joint Commissioner of Income-tax (Appeals), Commissioner of Income-tax (Appeals), the Income-Tax Appellate Tribunal, High Courts, and the Hon'ble Supreme Court.

The Central Board of Direct Taxes (CBDT) has consistently aimed to provide expeditious disposal of appeals by appellate authorities under its administrative control. One such measure was the Direct Tax Vivad se Vishwas Act, 2020, launched for appeals pending as of January 31, 2020. This scheme received an encouraging response from taxpayers and resulted in substantial revenue for the Government.

### • **Proposal**

In light of the success of the previous Vivad se Vishwas Act, 2020, and the increasing pendency of appeals at the CIT(A) level, the introduction of a Direct Tax Vivad se Vishwas Scheme, 2024, is proposed. This scheme aims to provide a mechanism for the settlement of disputed issues, thereby reducing litigation without much cost to the exchequer.

### • **Implementation**

The scheme shall come into force from a date to be notified by the Central Government. The last date for the scheme will also be specified in the notification.

### • **Amount payable by the Declarant u/s 90 of Direct Tax Vivad se Vishwas Scheme, 2024**

Under the Direct Tax Vivad se Vishwas Scheme, 2024, if a declarant files a declaration to the designated authority on or before the last date, the amount payable in respect of tax arrears is outlined below. These provisions apply notwithstanding anything contained in the Income-tax Act or any other law for the time being in force.

<b>Sl. No.</b>	<b>Nature of Tax Arrear</b>	<b>Amount Payable on or before 31st December, 2024</b>	<b>Amount Payable on or after 1st January, 2025 but on or before the last date</b>

(a)	Where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax, and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant after the 31st day of January, 2020 but on or before the specified date.	Amount of the disputed tax	The aggregate of the amount of disputed tax and 10% of disputed tax
(b)	Where the tax arrear is the aggregate amount of disputed tax, interest chargeable or charged on such disputed tax, and penalty leviable or levied on such disputed tax in a case where the declarant is an appellant on or before the 31st day of January, 2020 at the same appellate forum in respect of such tax arrear.	The aggregate of the amount of disputed tax and 10% of disputed tax	The aggregate of the amount of disputed tax and 20% of disputed tax
(c)	Where the tax arrear relates to disputed interest or disputed penalty or disputed fee, where the declarant is an appellant after the 31st day of January, 2020 but on or before the specified date.	25% of disputed interest or disputed penalty or disputed fee	30% of disputed interest or disputed penalty or disputed fee
(d)	Where the tax arrear relates to disputed interest or disputed penalty or disputed fee, where the declarant is an appellant on or before the 31st day of January, 2020 at the same appellate forum in respect of such tax arrear.	30% of disputed interest or disputed penalty or disputed fee	35% of disputed interest or disputed penalty or disputed fee

- **Other Key Pointers**

- ❖ The rate shall be 50% of the above rates in the following scenarios:
  1. In a case where it is an appeal filed by the revenue
  2. In a case where favorable order on the same issue already passed by ITAT or High Court in case of assessee, where the said order is not reversed by the superior court.
- ❖ Making a declaration under this Scheme shall not amount to conceding the tax position and it shall not be lawful for the income-tax authority or the declarant being a party in appeal or writ petition or special leave petition to contend that the declarant or the income-tax authority, as the case may be, has acquiesced in the decision on the disputed issue by settling the dispute.
- ❖ Where the declarant had, before filing the declaration under sub-section (1) of section 91, paid any amount under the Income-tax Act in respect of his tax arrear which exceeds the amount payable under section 90, he shall be entitled to a refund of such excess amount, but shall not be entitled to interest on such excess amount under section 244A of the Income-tax Act.

- **Cases covered**

(i) a person in whose case an appeal or a writ petition or special leave petition has been filed either by him or by the income-tax authority or by both, before an appellate forum and such appeal or petition is pending as on the specified date; or

(ii) a person who has filed his objections before the Dispute Resolution Panel under section 144C of the Income-tax Act and the Dispute Resolution Panel has not issued any direction on or before the specified date; or

(iii) a person in whose case the Dispute Resolution Panel has issued direction under sub-section (5) of section 144C of the Income-tax Act and the Assessing Officer has not completed the assessment under sub section (13) of that section on or before the specified date; or

(iv) a person who has filed an application for revision under section 264 of the Income-tax Act and such application is pending as on the specified date;

- **Certain Key exclusions**

The provisions of this Scheme shall not apply:

- Relating to an assessment year in respect of which prosecution has been instituted on or before the date of filing of declaration;
- Relating to any undisclosed income from a source located outside India or undisclosed asset located outside India;
- Relating to an assessment or reassessment made on the basis of information received under an agreement referred to in section 90 or section 90A of the Income tax Act, if it relates to any tax arrear.

## **O. Introduction of block assessment provisions in Search cases under section 132 and requisition under section 132A**

- To overcome/ mitigate the problems arising under the present scheme of search assessment, such as staggered, prolonged assessments, increased litigation costs, and inconsistent legal outcomes, FM has proposed to introduce a new scheme of block assessment for search initiated u/s 132 or requisitions u/s 132A. This will amend the provisions of Chapter XIV-B of the Act as below:
- Where on or after the 01 September 2024, a search is initiated u/s 132, or books of account, other documents or any assets are requisitioned u/s 132A, in the case of any person, the AO shall assess the total income for the block period of such person.
- The block period shall consist of six AYs preceding the year of the search/requisition and extend to the date of the last authorization for the search/requisition. Regular assessments for the block period will abate, and one consolidated assessment will be conducted for the entire block period.
- The AO will assess the total income, including undisclosed which shall include income based on seized/requisitioned evidence. Undisclosed income will be computed based on search evidence and additional materials available during the proceedings.
- Undisclosed income includes 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, where such items or transactions or entries or documents represents wholly or partly income or property which has not been disclosed for Income Tax, or any expense, deduction or allowance claimed which is found to be incorrect, in respect of the block period.
- Assessments for any other person linked to the undisclosed income will follow the provisions of section 158BD which provides that where the AO is satisfied that any undisclosed income belongs to or pertains to or relates to any person, other than the person with respect to whom search was made such material containing the evidence shall be handed over to the AO having jurisdiction over such other person and that AO shall proceed u/s 158BC against such other person accordingly.
- The tax rate for the block period will be 60% as per section 113 which has also been amended to include surcharge however, currently no surcharge has been proposed yet. No interest under sections 234A, 234B, or 234C, nor penalty u/s 270A, will be imposed. Further, penalty on undisclosed income will be 50% of the tax payable, if the income is not disclosed in the return.
- The time limit for assessment is within twelve months from the end of the month of the last authorization for the search/requisition was executed, with an additional six months for handover of the seized material to the AO.
- Evidence relating to the international transactions or specified domestic transactions referred to in 92CA, during the specified period shall not be considered while computing the total income for the block period.

- Notices and assessment orders shall be issued with prior approval from Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director.
- Further, the provisions of section 144C (application to Dispute Resolution Panel) shall not apply to any proceedings under this chapter.
- These amendments will take effect from 1st September 2024.

**P. Penalty Provision introduced for delayed or non-submission of statement by liaison office of non-resident in India**

- A new section 271GC into the Act has been introduced, prescribing penalties for failure to submit statements u/s 285 within the prescribed period of sixty days.
- The Assessing Officer may impose a penalty of one thousand rupees for every day of delay, if the failure period is up to three months. In other cases, a penalty of up to one lakh rupees may be imposed for failures exceeding three months.
- Further, this penalty shall not be leviable if the assessee proves that there was reasonable cause for the said failure. This amendment will take effect from 1st April, 2025.

**Q. Powers of the Commissioner (Appeals) enhanced to reduce the pendency of cases**

- The amendment is proposed to section 251 of the Act, providing the power to CIT(A) to set aside the cases and refer the case back to the AO where the assessment has been made in Best judgement cases u/s 144. This is to save time at the level of CIT(A) as the cases covered u/s 144 are typically those, where the required details are not furnished by the assessee before the AO which results in CIT(A) spend significant time in such cases to check all the details from the scratch.
- This amendment will come into effect from 1st October, 2024.

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

- The existing provisions of sub-section (2A) and (2B) of section 92CA do not extend to Specific Domestic Transactions.
- It is proposed to amend sub-sections (2A) and (2B) of section 92CA to enable the TPO to deal with SDTs which have not been referred to him by the AO and/or in whose respect audit report under section 92E has not been filed.
- These amendments will **take effect from 1st April, 2025** and will, accordingly, apply in relation to the assessment year 2025-2026 and subsequent years.



## S. Promotion of domestic cruise ship operations by non-residents

To enhance India's appeal as a cruise tourism destination and attract global cruise operators, several amendments have been proposed. These include:

1. **Introduction of Presumptive Taxation Regime:** A new section 44BBC is proposed to be introduced to simplify tax rules for non-resident cruise ship operators. This section deems 20% of the aggregate amount received or paid by these operators for passenger carriage as their profit. The provisions of section 44B, which previously applied to non-resident shipping businesses, shall no longer apply to cruise-ship operations.
2. **Lease Rental Exemption:** Lease rentals paid by a company opting for the presumptive taxation regime under section 44BBC shall be exempt from tax in the hands of the recipient company, provided both the payer and recipient companies are subsidiaries of the same holding company. This exemption is applicable up to the assessment year 2030-31.

These changes will take effect from April 1, 2025, and will apply to the assessment year 2025-26 and subsequent year.

## T. Tax incentives to International Financial Services Centre

- Item (I) of sub-clause (i) of clause (c) of the Explanation to clause (4D) of section 10 is proposed to be amended to expand the ambit of specified funds which can claim exemption under the said section, to include retail funds and Exchange Traded Funds in IFSC.
- Specified funds shall now include funds established or incorporated in India as a trust, company, limited liability partnership, or body corporate, which have been granted a certificate as a retail scheme or an Exchange Traded Fund.
- Specified income of Core Settlement Guarantee Funds set up by recognized clearing corporations in IFSC, is proposed to be exempted by amending the definitions of "recognized clearing corporation" and "regulations" in the Explanation to clause (23EE) of section 10 of the Act.
- The definition of "recognized clearing corporation" will now include recognised clearing corporation as defined in clause (n) of sub-regulation (1) of regulation 2 of the IFSCA (Market Infrastructure Institutions) Regulations, 2021 made under the IFSCA Act, 2019, and the definition of "regulations" shall now include the IFSCA (Market Infrastructure Institutions) Regulations, 2021.
- The Finance Bill, 2023 amended section 68 so as to provide that the nature and source of any sum, whether in form of loan or borrowing, or any other liability credited in the books of an assessee shall be treated as explained only if the source of funds is also explained in the hands of the creditor or entry provider. However, this additional onus of proof of satisfactorily explaining the source in the hands of the creditor, would not apply if the creditor is a well regulated entity, i.e., it is a Venture Capital Fund (VCF) or Venture Capital Company (VCC) registered with SEBI. Section 68 accordingly makes a reference to the definition of VCF/VCC in the Explanation to clause (23FB) of section 10.

- It is now proposed to extend the relaxation in place for VCFs registered with SEBI, to those VCFs which are regulated by IFSCA. It is therefore proposed to amend the definition of VCF in the Explanation to clause (23FB) of section 10, to include VCFs in IFSC.
- It is proposed to amend section 94B of the Income-tax Act relating to limitation on interest deduction in certain cases.
- At present, the provisions of this section do not apply to Indian companies or permanent establishments of foreign companies which are engaged in the business of banking or insurance or such class of non-banking financial companies as may be notified by the Central Government.
- It is now proposed that the provisions of this section shall not apply to finance companies, located in IFSC, as defined in clause (e) of sub-regulation (1) of regulation 2 of the IFSCA (Finance Company) Regulations, 2021 made under the IFSCA Act, 2019, which satisfy such conditions and carry on such activities as may be prescribed.
- These changes will take effect from the 1st day of April, 2025.

#### **U. Other Key Changes**

- Section 198 of the Act is proposed to be amended to address the issue of underreporting of total income by not including taxes withheld outside India. The proposed amendment is to ensure that all sums deducted under Chapter XVII-B and income tax paid outside India, for which an assessee claims credit, are deemed to be income received for the purpose of computing the assessee's income. This change will take effect from 1st April 2025.
- Currently, sub-section (3) this sub-section of section 253 mandates that appeals to the Appellate Tribunal must be filed within sixty days from the date the order is communicated to the assessee or tax authorities. The proposed amendment extends this period, allowing appeals to be filed within two months from the end of the month in which the order is communicated. This change will take effect from 1st October, 2024.
- It is proposed to amend section 275 of the Act, which deals with the limitation period for imposing penalties. The proposed changes seek to remove references to the Principal Chief Commissioner or Chief Commissioner from sub-sections (1) and (1A) of section 275 as such references are resulting in administrative hassles for the Income Tax department. This implies that the limitation period for imposing penalties will no longer be determined by the receipt of appeal orders by these officials. This change will take effect from 1st October 2024.
- It is proposed to amend section 244A of the Act for not allowing payment of additional interest up to the date till which refund is withheld by the AO under the provisions of sub-section (2) of section 245 of the Act which has been proposed to be extended up to sixty days from the date on which assessment or reassessment is made. This change will take effect from 1st October, 2024.
- Explanation 3 to sub-section (1) of section 37 of the Act will be amended to clarify that "expenditure incurred by an assessee for any purpose which is an offence or which is

prohibited by law" includes any expenditure to settle proceedings for contravention of any law as notified by the Central Government. This change will take effect from 1st April 2025 and will apply from the assessment year 2025-26 onwards.

- Section 197 of the Income Tax Act allows taxpayers to obtain a certificate for deduction of tax at a lower rate for payments where tax is required to be deducted under certain sections. Similarly, sub-section (9) of section 206C permits a lower rate for tax collection on specified payments. Section 194Q mandates that buyers must deduct tax at 0.1% on purchases exceeding INR 50 lakh in a financial year, while section 206C(1H) requires sellers to collect tax at 0.1% on sales exceeding INR 50 lakh. It is proposed to amend section 197 and sub-section (9) of section 206C to include sections 194Q and 206C(1H) respectively, allowing for certificates for lower deduction rates. This change will take effect from October 1, 2024.
- Additionally, it is also proposed that the surcharge will not apply to advance tax or tax computed on income of specified funds. Specifically, this pertains to income chargeable under clause (a) of sub-section (1) of Section 115AD of the Act, which involves income from investments in specified funds.
- An amendment is proposed to the First Schedule of Income-tax Act, specifically related to the computation of profits and gains from insurance business. A proviso is to be inserted into Rule 2 which mandates that any expenditure not allowable u/s 37 of Act for business expenses must be added back to the profits and gains of the life insurance business. This change will take effect from 1st April, 2025.
- It is proposed to amend Section 139AA to discontinue the option of quoting of Enrolment ID of Aadhaar application form in the PAN application or Income tax return and only Aadhaar number will be required to be quoted in the same. Every person who has been allotted permanent account number on the basis of form filed prior to the 1st day of October, 2024, shall intimate his Aadhaar number on or before a notified date to the specified authority.

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## **Part D - Indirect Tax:**

### **1. Goods and Services Tax (GST)**

#### **Change in ITC provision:**

- New sub-sections (5) and (6) are added in Section 16 of Central Goods and Services Tax Act, 2017 (CGST Act) to relax the limit available for availing input tax credit (ITC) as per section 16(4) of the CGST Act, having retrospective effect from 01.07.2017, as follows:

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

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

- **With respect to cases where returns have been filed after revocation of cancellation of registration:**

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

#### **Rationalisation of Reverse charge (RCM) provisions:**

- Amendment is proposed in Section 13(3) of CGST Act by amending clause (b) and inserting a clause (c) to provide for a specific provision in section 13(3) for covering the cases where the invoice is required to be issued by the recipient of services in case of RCM supplies.
- Clause (f) of section 31 of CGST Act is being amended to provide for an enabling provision to prescribe the time period within which the invoice has to be issued by the recipient under RCM and to clarify that a person registered solely for purpose of deducting TDS under section 51 of CGST Act shall be treated as a person not registered for the purpose of clause (f) of section 31(3) of the said Act.

#### **Rationalisation of Under protest pre deposit limits**

- Sections 107 and 112 of CGST Act are being amended to reduce the maximum amount of pre-deposit for filing appeal with the GST Appellate Authority from Rs. 25 crores of central tax to Rs. 20 crore of central tax and to reduce the amount of pre-deposit for filing appeal with the GST Appellate Tribunal from 20% of tax in dispute (with a maximum amount of Rs. 50 crore of central tax) **to 10 % of tax in dispute (with a maximum of Rs. 20 crore of central tax)**. Besides, the time limit for filing appeals before the Appellate Tribunal is being modified to avoid the appeals from getting time barred, on account of Appellate Tribunal not coming into operation.

- Section 20 in the IGST Act is being amended, to reduce the maximum amount of pre deposit amount for filing appeal before Appellate Authority from Rs. 50 crores to Rs. 40 crore of integrated tax and for Appellate Tribunal from Rs. 100 crores to Rs 40 crore of integrated tax.

### **Waiver of Interest & Penalty**

- Section 128A is inserted in the CGST Act to provide for a conditional waiver of interest and penalty in respect of demands pertaining to the FY(s) 2017-18, 2018-19 and 2019-20 respectively, in cases where the demand notices have been issued under section 73 and full tax liability is paid by the taxpayer before a date to be notified.

### **Other Key amendments**

- Paragraph No. 8 and 9 are added in Schedule III of the CGST Act, 2017 the activity of apportionment of co-insurance premiums by the lead insurer to the co-insurers in the co-insurance agreement and the services by insurers to reinsurers in respect of ceding/reinsurance commission will, subject to certain conditions, be treated neither as a supply of goods nor as a supply of services.
- Clause (i) of Section 17 of CGST Act is being amended to restrict the ambit of blockage of input tax credit for tax paid only u/s 74 demands up to FY 2023-24.
- Second proviso is proposed to be inserted in section 30(2) of the CGST Act to provide for enabling clause to prescribe conditions and restrictions for revocation of cancellation of registration
- Section 39 is being amended to mandate filing of returns by TDS deductors for every month, even if no deductions are made during the said month, and also to provide for an enabling clause for prescribing the time limit for filing these returns.
- Section 54 of CGST Act and section 16 of IGST Act is being amended to prohibit refund of unutilized input tax credit or of integrated tax on zero-rated supply of goods which are subjected to export duty.
- Sub-section (1A) is being inserted in section 70 of the CGST Act, to enable an authorised representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer.
- Section 73 and 74 of CGST Act is being amended to limit the applicability of these sections to demands up to FY 2023-24, since from FY 2024-25 onwards demands are to be ascertained as per provisions of newly inserted section 74A. Also, Section 75 of CGST Act is being amended to allow for redetermination of penalties if the charges of fraud, suppression, or willful misstatement are not established.
- Further, reference to section 74A or the concerned sub-sections of section 74A is being inserted in section 10, section 21, section 35, section 49, section 50, section 51, section 62, section 63, section 64, section 65, section 66, section 104 and section 127.
- Section 74A is being inserted in the CGST Act to provide a common time limit for issuance of demand notices and orders in respect of demands for FY 2024-25 onwards, for cases involving charges of fraud, suppression of facts or wilful misstatement and the cases not involving the charges of fraud, suppression of facts or wilful misstatement etc. Also, 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.
- Section 109 of CGST Act is being amended to empower the government to specify cases to be heard only by the Principal Bench of the Appellate Tribunal.

- Section 122(1B) of CGST Act is being amended to restrict the applicability of penal provisions under this section to only those Electronic Commerce Operators who are required to collect tax at source under section 52.
- Section 140(7) of the CGST Act, 2017 is being amended retrospectively, to enable availment of transitional credit in respect of input services received by an Input service Distributor prior to the appointed day, where invoices were also received prior to appointed day.
- Section 171 of CGST Act is being amended to enable the Government to notify the GST Appellate Tribunal to handle anti-profiteering cases and also empowers the Government to notify a date after which the Authority for anti-profiteering shall not accept application for examination.
- Section 9 of the CGST Act, 2017 is being amended to bring Extra Neutral Alcohol used in manufacture of alcoholic liquor for human consumption out of purview of central tax. Similar amendments are proposed in IGST Act and UTGST Act.

## **2. Customs Law:**

The proposed changes including changes in custom duty rates are briefly summarized as below:

### **A. Duty Rate Changes**

#### **1. Agricultural goods**

- The BCD on Shea nuts has been reduced from 30% to 15%.

#### **2. Critical Minerals**

- BCD has been reduced to Nil on the following critical minerals, namely, Antimony, Beryllium, Bismuth, Cobalt, Copper, Gallium, Germanium, Hafnium, Indium, Lithium, Molybdenum, Niobium, Nickel, Potash, REE, Rhenium, Strontium, Tantalum, Tellurium, Tin, Tungsten, Vanadium, Zirconium, Selenium, Cadmium, Silicon other than Quartz & Silicon Dioxide.
- BCD has been reduced to 2.5% on following critical minerals, namely, Graphite, Silicon Quartz & Silicon Dioxide.

#### **3. Aquafarming and Marine Sector**

- The BCD on Prawn & Shrimps feed and fish feed has been reduced to 5%.
- The BCD on Live SPF Vannamei shrimp (*Litopenaeus vannamei*) broodstock and Black tiger shrimp (*Penaeus monodon*) broodstock has been reduced to 5%.
- The BCD on Artemia and Artemia cysts has been reduced to Nil.
- The BCD on following ingredients/inputs for use in the manufacture of Prawn and Shrimp feed or fish feed is being reduced subject to IGCR condition.
  - For Mineral & vitamin premixes from 5% to Nil.
  - For Krill Meal from 5% to Nil.
  - For Fish lipid oil from 15 % to Nil.
  - For Crude fish oil from 30% to Nil.
  - For Algal prime (flour) from 15% to Nil.
- BCD has been reduced to 5% on Insect Meal for use in R&D for aquatic feed manufacturing.

- BCD has been reduced to 5% on Single Cell Protein from Natural Gas for use in R&D for aquatic feed manufacturing.
- BCD has reduced SPF Polychaete worms 30% to 5%.
- BCD has been reduced to Nil on pre-dust breaded powder for use in processing of sea-food.

#### **4. Chemicals and petrochemicals:**

- The BCD on Ammonium Nitrate has been increased from 7.5% to 10%.
- The tariff rate of CTH 3920 and 3921 has been increased to 15%. Consequently, from 24.7.2024, PVC Flex Films/Flex Banners will attract 25% by virtue of declaration under the Provisional Collection of Taxes Act 2023. However, Notification No 50/2017-Customs has been amended to maintain the existing rate of 10% on items other than PVC Flex Films/Flex Banners.

#### **5. Drug**

- The BCD has been fully exempted on cancer drugs which are Trastuzumab Deruxtecan, Osimertinib, Durvalumab.

#### **6. Textile and Leather Sector**

- The BCD has been reduced from 7.5% to 5% on MDI for manufacture of spandex yarn to rectify duty inversion. This is subject to IGCR conditions.
- The BCD has been reduced from 30% to 10% on Real Down Filling material from duck or goose for use in the manufacture of textile or leather garments for export.
- Exemption has been extended to Wet white leather, Crust and finished leather for manufacture of textile or leather garments, leather /synthetic footwear or other leather products for export.
- Exemption has been extended to certain additional accessories and embellishments for manufacture of textile or leather garments, leather/synthetic footwear or other leather products for export.

#### **7. Electronics goods and equipment**

- The BCD on cellular mobile phones has been reduced from 20% to 15%.
- The BCD on PCBA of cellular mobile phones has been reduced from 20% to 15%.
- The BCD on the charger/adaptor of cellular mobile phones has been reduced from 20% to 15%.
- The BCD on Oxygen Free Copper (OFC) Strip has been reduced from 5% to Nil for use in manufacture of resistors subject to IGCR condition.
- The exemption entries providing concessional BCD rate to mechanics and die-cut parts of chapters 39 and 73 has been expanded to include chapter 40, 70 and 76.
- The exemption entry covering input items/raw material for use in manufacture of connectors has been expanded to add more input items/raw material.
- The BCD rate on PCBA of specified telecom equipment has been increased from 10% to 15%.

#### **8. Precious Metals**

- The duty rates on precious metals have been revised as under:

Commodity	BCD		AIDC		SWS		Total duty
	From	To	From	To	From	To	
Gold Bars	10%	5%	5%	1%	Nil	Nil	6%
Gold Dore	10%	5%	4.35%	.35%	Nil	Nil	5.35%
Platinum	10%	5%	5.40%	1.40%	Nil	Nil	6.40%
Silver Bar	10%	5%	5%	1%	Nil	Nil	6%
Silver Dore	10%	5%	4.35%	35%	Nil	Nil	5.35%

• As a consequential change, the BCD has been reduced from:

1. 7.5% to 5% on Platinum and Palladium used in the manufacture of noble metal solutions, noble metal compounds and catalytic convertors.
2. 7.5% to 5% on bushings made of platinum and rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India.

## 9. Other Metals

- BCD has been reduced on Ferro-Nickel from 2.5% to Nil.
- BCD has been reduced on Blister Copper from 5% to Nil.
- The BCD exemption on Ferrous Scrap has been continued upto 31.3.2026.
- The concessional BCD rate of 2.5% on Copper scrap has been continued.
- The exemption on specified raw material for manufacture of CRGO steel has been continued up to 31.3.2026. Further, the exemption has also been extended to such specified raw materials for manufacture of CRGO Steel falling under tariff item 7226 11 00.

## 10. Capital Goods

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

## 11. Others

- The BCD on Garden umbrella has been revised from '20%' to '20% or ₹60 per piece, whichever is higher'. (The duty rate is effective from 24.7.2024 by virtue of declaration under the Provisional Collection of Taxes Act 2023).
- The tariff rate on areca nuts and prepared/ preserved areca nuts is being enhanced to 150% w.e.f 1.10.2024. However, there is no change in the effective BCD rate which continues at 30%.



## 12. Export duty

The effective export duty structure on Raw hides, skins and leather have been simplified and rationalised as given below:

S.No	Commodity	Rate of duties	
		From	To
1.	Raw Hides & skins, all sorts (other than buffalo)	40%	40%
2	Raw Hides & skins of buffalo	30%	30%
3	Raw fur and skins including lamb fur skin	60/10%	40%
4	Wet Blue Chrome Leather	40%	20%
5	Crust Leather	40%	20%
6	Tanned fur skin	60%	20%
7	E.I Tanned Leather	Nil	Nil
8	Finished Leather (as defined by DGFT)	Nil	Nil

### **B. REVIEW OF EXEMPTIONS**

A comprehensive review has been undertaken in respect of 188 conditional exemptions/concessional rates (*150 entries in notification No. 50/2017-Customs dated 30th June,2017 and 38 exemptions/concessional rates are standalone Notifications*). The summary of changes is as below:

- 30 exemptions/ concessional rates are being extended upto 31.3.2029 (**refer Annexure - I**)
- 126 exemptions/ concessional rates are being continued upto 31.3.2026 (**refer Annexure -II**)
- 28 exemptions/ concessional rates are being lapsed on their end dates of 30.9.2024 (**refer Annexure -III**)
- end dates are being removed in 4 exemptions as they are covered by the exclusion clause (**refer Annexure -IV**)

It may be noted that while continuing the exemptions/concessional rates, some entries have been pruned or modified.

### **C. OTHER KEY PROPOSALS IN THE FINANCE (NO.2) BILL**

- **As a trade facilitation measure, Notification No. 45/2017-Customs dated 30.6.2017 has been amended to increase the time-period of duty-free re-import of goods (other than those under export promotion schemes) exported under warranty from 3 years to 5 years, further extendable by 2 years.**
- **Similarly, Notification No. 153/94-Customs dated 13 July 1994 has been amended to extend the time limit for export from 6 months to 1 year, further extendable by 1 year, in the case of aircraft and vessels imported for maintenance, repair and overhauling.**
- The Clean Environment Cess is being exempted on excisable goods lying in stock as on 30th June, 2017 subject to payment of appropriate GST Compensation Cess on supply of such goods on or after 1st July, 2017.
- Based on the recommendations of the GST Council in its 53rd meeting, GST Compensation Cess is being exempted with effect from 1st July, 2017 on imports in SEZ by SEZ units or developers for authorised operations.

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

### **D. OTHER KEY LEGISLATIVE AMENDMENTS**

#### **a) Amendments in Customs Act, 1962**

- Section 28DA is being amended to enable the acceptance of different types of proof of origin provided in trade agreements in order to align the said section with new trade agreements which provide for self-certification.
- A provision to sub-section (1) of Section 65 is being inserted to empower the Central Government to specify certain manufacturing and other operations in relation to a class of goods that shall not be permitted in a warehouse.

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

- create new tariff lines in respect of defence products, technical textiles, sustainable blended aviation fuel, products used in Indian semiconductor machines, e-bicycles, natural menthol, printer cartridge etc. These changes shall come into effect from 1.10.2024.

#### **b) Amendment in Countervailing Duty on Subsidised Articles a Rules, 1995**

- The Customs Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidised Articles and for Determination of Injury) Rules, 1995 have been amended to insert a provision for 'New Shipper Review'. This change will take effect from 24 July 2024.

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**Annexure -I**EXEMPTIONS TO BE EXTENDED FOR A FURTHER PERIOD UPTO 31<sup>ST</sup> MARCH 2029**(i) Entries under 50/2017-Customs**

<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
1.	212A	Medicines/drugs/vaccines supplied free by United Nations International Children's Emergency Fund (UNICEF), Red Cross etc
2.	213	Drugs and materials
3.	428	Specified goods imported by accredited press cameraman
4.	429	Specified goods, imported by accredited journalist
5.	607	Life Saving drugs like Keytruda etc
6.	607A	Lifesaving drugs/medicines for personal use
7.	611	Archaeological artefacts for exhibition in a museum
8.	612	Specified raw material for sports goods
9.	577	Lifesaving medical equipment for personal use
10.	549	Capital goods, raw materials and spares for repairs of ocean-going vessels
11.	550	Spare parts and consumables for repairs of ocean going vessels registered in India.

**(ii) Standalone Notifications**

<b>SN</b>	<b>Notification No</b>	<b>Brief Description</b>
1	16/1965-Customs dated 23 January 1965	Exemption to goods exported to foreign countries for display in show-rooms of Govt of India
2	80/1970-Customs 29 August 1970	Goods supplied freely under warranty as replacement for defective ones in lieu of earlier imported goods.
3	207/89-Customs dated 17 July 1989	Foodstuffs and provisions (excluding fruit products, tobacco, alcohol) by foreigners
4	147/94-Customs dated 13 July 1994	Firearms and ammunition when imported for use by a renowned shooter
5	148/94-Customs dated 13 July 1994	Specified gifts; goods gifted free under a bilateral agreement; goods imported by Indian Red Cross Society, goods for the purposes of relief and rehabilitation

<b>SN</b>	<b>Notification No</b>	<b>Brief Description</b>
6	152/94-Customs dated 13 July 1994	Appliance/aids for blind/handicapped imported by institution for blind & deaf; and other specified teaching aids imported by Govt Universities
7	153/94-Customs dated 13 July 1994	Articles for foreign origin imported for repair and return, theatrical equipment and costumes, mountaineering expedition equipment, photographic, filming recording etc
8	134/94-Customs dated 22 June 1994	Specified capital goods, and other ancillary items imported for repairs
9	39/96-Customs dated 23 July 1996	Specified imports relating to Defence, internal security forces and Air Force.
10	50/96-Customs dated 23 July 1996	Specified equipment, instruments, raw materials, components, pilot plant and computer software when imported for publicly funded R & D projects
11	51/96-Customs dated 23 July 1996	Scientific and technical instruments, apparatus, equipment, accessories etc when imported by publicly funded research institution,
12	25/1998-Customs dated 2 June 1998	Capital goods/machinery/ measuring instruments for manufacture of semiconductor wafers.
13	23/2016-Customs dated 1 March 2016	Parts of aircraft when imported into India under the Standard Exchange Scheme
14	32/2017-Customs dated 30 June 2017	Imports of artwork and antique books
15	37/2017-Customs dated 30 June 2017	Imports in relation to defense and international security forces including medals, decorations, personal effects of Defense Personnel, bonafide gifts from foreign donors, stores and goods for trials, demonstration
16	16/2017-Customs dated 20 April, 2017	Specified medicines from whole of the duty of customs, when imported for supply under Specified Patient Assistance Programme
17	25/1999-Customs dated 28 February 1999	Capital goods/machinery used by the IT/Electronics industry, subject to actual user condition.

<b>SN</b>	<b>Notification No</b>	<b>Brief Description</b>
18	25/2002-Customs dated 1 March 2002	Specified raw materials, inputs and parts for use in manufacture of specified electronic items
19	35/2017-Customs dated 30 <sup>th</sup> June 2017	Aviation Turbine Fuel in the tanks of the aircrafts of an Indian Airline or of the Indian Air Force

**Annexure - II**

PROPOSED TO BE EXTENDED FOR A FURTHER PERIOD TILL 31ST MARCH 2026

**(i) Entries under 50/2017-Customs**

<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
1.	17	Planting materials including seeds, plants, oil seeds etc.
2.	90	Lactose for manufacture of homeopathic medicines
3.	104	Specified goods used in processing of sea-food
4.	133	Gold ores and concentrates
5.	139	Bunker Fuels namely: (i). IFO 180 CST; (ii). IFO 380 CST; (iii). VLSFO (CTH 27)
6.	155	Liquefied petroleum gases (LPG) received from unit in SEZ and returned by the DTA unit to the SEZ unit
7.	164	Electrical energy supplied from SEZ unit to DTA
8.	165	Electrical energy supplied from SEZ to DTA
9.	172	Specified goods used in manufacture of silicon wafers or solar wafers, for manufacture of solar cell or module
10.	183	Medical use fission Molybdenum-99 (Mo-99) for use in manufacture of radio pharmaceuticals
11.	184	Pharmaceutical Reference Standard
12.	188	Goods for manufacture of ELISA Kits
13.	191	Maltol for manufacture of deferiprone
14.	204	Anthraquinone or 2-Ethyl Anthraquinone for use in manufacture of Hydrogen peroxide
15.	253	Specified Goods for manufacture of Brushless Direct Current (BLDC) motors
16.	257	Tags, labels, stickers, belts, buttons, hangers or printed bags, imported by bonafide exporters
17.	257A	Specified goods used in manufacture of handicraft items for export when imported by bonafide exporter
18.	258	Security fibre, threads, Paper based Taggant,M-feature for use in manufacture of security paper by Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt Ltd, Mysore.
19.	259	Raw materials for manufacture of security fibre and security thread for supply to Security Paper Mill, Hoshangabad and Bank Note Paper Mill India Pvt. Ltd, Mysore for use in manufacture of security paper

<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
20.	261	Raw material for manufacture of Copper-T Contraceptive (i) Alatheon (ii) Copper Wire
21.	265	Capacitor grades polypropylene granules for manufacture of Capacitor grade plastic
22.	269	Super absorbent polymer for manufacture of adult diapers and specified goods
23.	271	Polytetramethylene ether glycol, (PT MEG) for use in manufacture of spandex yarn
24.	276	Ethylene- propylene- non-conjugated diene rubber (EPDM) for manufacture of insulated wire and cables
25.	279	New or retreated Pneumatic tyres of rubber for use in servicing, repair of maintenance of aircrafts used for operating scheduled air transport service or scheduled air cargo service etc
26.	280	New or retreated Pneumatic tyres of rubber for use in servicing, repair or maintenance of aircraft imported or procured by Aero Club of India/ for flying training purpose/ operating non-scheduled (passenger or charter) services/ AAI for flight calibration purpose
27.	290	Wood pulp for manufacture of newsprint, paper or paperboard
28.	292	Goods imported for manufacture of paper, paper boards, newsprint
29.	293A	Newsprint and uncoated paper imported for printing of newsprint
30.	296A	Lightweight coated paper imported by actual users for printing of magazines
31.	326	Hydrophilic /Hydrophobic Non- Woven, imported for use in the manufacture of Adult Diapers
32.	329	Pile fabrics for the manufacture of toys
33.	333	Moulds, tools and dies, for the manufacture of parts of electronic components or electronic equipment
34.	334	(i) Graphite Felt or Graphite pack for growing silicon ingots (ii) Thin Steel wire used in wire saw for slicing of silicon wafers
35.	345A	Simply Sawn Diamonds
36.	364A	Spent catalyst or ash containing precious metals
37.	368	Ferrous Scrap
38.	378	Metal parts for manufacture of electrical insulators falling under heading 8546
39.	379	Pipes and tubes for use in manufacture of boilers

<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
40.	380	Forged steel rings for manufacture of special bearings for use in wind operated electricity generators
41.	381	Flat copper wire for use in the manufacture of photo voltaic ribbon for manufacture of solar photovoltaic cell or modules
42.	392	Dies for drawing metal, where imported after repairs from abroad
43.	403	Parts and raw materials for offshore oil exploration
44.	415	Parts for manufacture of catalytic convertors
45.	415A	Platinum or Palladium for manufacture of Noble Metal Compounds & Noble Metal Solutions
46.	416	Ceria zirconia compounds for use in the manufacture of washcoat for catalytic convertors
47.	417	Cerium compounds for use in the manufacture of washcoat for catalytic convertors
48.	418	Zeolite for for use in the manufacture of washcoat for catalytic convertors
49.	422	Machinery, electrical equipment for use in semiconductor wafer and LCD
50.	423	Machinery, electrical equipment for use in marking and packaging of semiconductor chips
51.	426	Specified goods for the manufacture of semiconductor devices, memory card, IC, solar cell
52.	435	Capital goods for printing industry
53.	442	Bushings made of Platinum and Rhodium alloy when imported in exchange of worn out or damaged bushings exported out of India
54.	446	Parts and components for manufacture of tunnel boring machines
55.	451	Evacuated tubes with three layers of solar selective coating for use in manufacture of solar water heater
56.	462	Ball screws for use in the manufacture of CNC Lathes
57.	463	Linear Motion Guides for use in the manufacture of CNC Lathes
58.	464	CNC Systems for use in the manufacture of CNC Lathes
59.	464A	Goods for manufacture of plastic processing machineries
60.	467	Parts and components of cash dispenser or automatic bank note dispenser
61.	471	All parts for use in the manufacture of LED lights
62.	472	All inputs for use in the manufacture of LED driver or MCPCB for LED lights



<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
63.	476	Television equipment, cameras etc for taking films, imported by a foreign film unit or television team
64.	477	Filming equipment of foreign origin if imported into India after having been exported therefrom.
65.	480	Goods imported for being tested in specified test centers
66.	489B	Goods for manufacturing of Microphones
67.	504	Parts and Components of Digital Still Image Video Cameras
68.	509	Parts, components and accessories for manufacture of Digital Video Recorder
69.	510	Parts, components and accessories for use in manufacture of reception apparatus for television
70.	511	Parts, components and accessories for manufacture of CCTV Camera
71.	512	Specified Parts, components and for use in manufacture of Lithium-ion battery and battery pack
72.	512A	Inputs, parts or sub-parts for use in the manufacturing of Printed Circuit Board Assembly
73.	515A	Open Cell for manufacture of TV Panel
74.	516	The following goods for use in the manufacture of Liquid Crystal Display (LCD) /LED TV Panel
75.	517	Magnetrons for manufacture of domestic microwave ovens
76.	519	Raw materials or parts for use in manufacture of e-Readers
77.	523A	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium ion cells
78.	527	Lithium ion cell use in manufacture of battery or battery pack
79.	527A	Lithium Ion Cell for use in manufacture of battery or battery pack of cellular mobile
80.	527B	Lithium Ion Cell manufacture of battery or battery pack of EV
81.	534	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)
82.	535	Raw materials for manufacture of aircraft and parts of aircraft
83.	535A	Parts of aircraft for manufacture of aircraft or for manufacture of parts of aircraft by PSU under Min of Defence
84.	536	Parts, testing equipment, tools and tool-kits for maintenance, repair, and overhauling of aircraft, components or parts of aircrafts
85.	537	All goods of Heading 8802 (except 88026000-spacecraft)
86.	538	Components or parts, including engines, of aircraft of heading 8802

S No	S N of 50/17-Cus	Brief Description
87.	539	(a) Satellites and payloads; (b) Ground equipment brought for testing of (a)
88.	539A	Scientific and technical instruments etc for launch vehicles and satellites
89.	540	Specified goods imported by scheduled air transporter
90.	542	Specified goods imported by Aero Club, Flying Training Institutes
91.	543	Specified goods imported by non-scheduled air transporter
92.	544	Parts (other than rubber tubes), of aircraft of heading 8802
93.	546	Parts (other than rubber tubes), of aircraft of heading 8802
94.	548	Barges or pontoons imported along with ships
95.	551	Cruise ships, Excursion ships
96.	553	Fishing vessels, Tugs and Pusher crafts, light vessels excluding vessels and floating structure imported for break up
97.	555	Vessels like warships, lifeboats excluding vessels and floating structure imported for break up
98.	567	Stainless steel tube and wire, for manufacture of Coronary stents /artificial valve
99.	569	Parts required for manufacture of Ostomy products
100.	570	Medical and surgical instruments, apparatus and appliances including spare parts and accessories thereof
101.	575	Specified Hospital Equipment for use in specified hospitals
102.	578A	Raw materials, for the manufacture of Cochlear Implants
103.	580	X-Ray Baggage Inspection Systems and parts thereof
104.	581	Portable X-ray machine / system
105.	583	Parts and cases of braille watches, for the manufacture of Braille watches
106.	591	Parts of electronic toys
107.	593	Parts of video games for the manufacture of video games
108.	150	Naphtha for manufacture of Fertilisers <i>(scope of exemption is being reduced only to Naphtha)</i>
109.	468	Parts for manufacture of Micro ATM, Fingerprint reader/scanner, Iris scanner, Miniaturised POS <i>(Scope of exemption is being limited to import of raw materials only)</i>
110.	237	Specified material for manufacture of EVA (Ethylene Vinyl Acetate) sheets or backsheet, which are used in the manufacture of solar photovoltaic cells or modules <i>(Scope of materials which can be imported is being increased)</i>

<b>S No</b>	<b>S N of 50/17-Cus</b>	<b>Brief Description</b>
111.	260	Goods for the manufacture of specified orthopedic implants (902110)
112.	374	Magnesium Oxide (MgO) coated cold rolled steel coils for use in manufacture of cold rolled grain oriented (CRGO) steel
113.	375	Specified items for manufacture of cold rolled grain oriented steel (CRGO) steel
114.	257B	Specified goods used in manufacture of textile or leather garments for export when imported by bonafide exporter
115.	257C	Specified goods used in manufacture of leather or synthetic footwear or other leather products for export when imported by bonafide exporter
116.	404	Specified items including capital goods and raw materials for off shore oil exploration
117.	80A	Algal oil for manufacture of aquatic food

**(ii) Standalone notifications**

<b>SNo</b>	<b>Notification No</b>	<b>Brief Description</b>
1	30/2017-Customs dated 30 June 2017	Exemption to motion picture, music, gaming software for use in gaming console printed or recorded on media
2	05/2017-Customs dated 2 February 2017	Exemption to machinery, components for setting up fuel cell based on waste to energy
3	113/2003-Customs dated 22 July 2003	Exemption to castor oil cake and castor de-oiled cake manufactured from indigenous castor oil seeds on indigenous plant and machinery by unit in SEZ and brought to DT A
4	81/2005-Customs dated 8 September 2005	Exemption to machinery/components for initial setting up of non-conventional power generation plants
5	26/2011-Customs dated 1 March 2011	Exemption to work of art, antiques in museum or art gallery
6	248/1976-Customs dated 2 August 1976	Exemption to precious stones imported by posts on 'approval or return' basis
7	24/2001-Customs dated 1st March 2001	Exemption to copper cathodes, wire bars and wire rods produced out of copper reverts
8	25/2001-Customs dated 1st March 2001	Exemption on gold and silver produced out of copper anode slime which were exported out of India for toll smelting and processing

9	32/1997-Customs dated 1st April 1997	Exemption to goods imported for execution of an export order for jobbing
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**Annexure III**

THE EXEMPTIONS WHICH ARE BEING LAPSED ON THE END DATE OF 30TH SEPTEMBER 2024:

**(i) Entries under 50/2017-Customs**

<b>S. No</b>	<b>SN of 50/2017-Customs</b>	<b>Description</b>
1	478	Wireless apparatus, accessories and parts as specified in List 29 imported by a licensed amateur radio operator
2	353	Foreign currency coins when imported into India by a Scheduled Bank
3	387	Zinc metal recovered by toll smelting or toll processing from zinc concentrates exported from India for such processes
4	441	Spinnerettes made inter alia of Gold, Platinum and Rhodium or any one or more of these metals, when imported in exchange of worn-out or damaged spinnerettes exported out of India
5	238	Organic/inorganic Coating material for manufacture of electrical steel
6	254	Catalyst for manufacture of cast components of Wind Operated Electricity Generator
7	255	Resin for manufacture of cast components of Wind Operated Electricity Generator
8	277A	Calendared plastic sheet for manufacturing of Smart Card under chapter heading 8523
9	339	Concessional rate on import of Toughened glass with low iron content and transmissivity of minimum 91% and above, for use in manufacture of solar thermal collectors or heaters
10	421	Specified goods required for basic telephone service, cellular mobile telephone service, internet service or closed users' group 64 KBPS domestic data network via INSAT satellite system service and parts, for manufacture of the goods
11	479	Mono or Bi polar Membrane electrolysers and parts thereof including secondary brine purification components, jumper switches, filtering elements for hydrogen filters for caustic soda or potash units; Membrane and parts thereof or other parts for caustic soda or potash units;
12	475	Specified goods including scramblers, descramblers, encoders, decoders, jammers, network firewalls, network sniffers, scanners and monitoring systems, probes for data monitoring and SMS/MMS monitoring systems

<b>S. No</b>	<b>SN of 50/2017-Customs</b>	<b>Description</b>
13	482	Newspaper page transmission and reception facsimile system or equipment; and Telephoto transmission and reception system or equipment
14	495	Batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles.
15	497	Active Energy Controller (AEC) for use in manufacture of Renewable Power System (RPS) inverters
16	579	Survey (DGPS) instruments, 3D modeling software for ore body simulation cum mine planning and exploration (geophysics and geochemistry) equipment required for surveying and prospecting of minerals
17	419	Aluminium Oxide for manufacture of washcoat of catalytic converter
18	420	Clay 2 powder for use in ceramic substrate for catalytic convertor
19	340	Solar tempered glass or solar tempered (anti-reflective coated) glass for use in manufacture of solar cells/panels/modules
20	565	Specified goods for use in the manufacture of Flexible Medical Video Endoscope [heading 9018]
21	566	Specific input goods for manufacture of syringes, needles, catheters and cannulae
22	568	Parts and components for manufacture of blood pressure monitors and blood glucose monitoring system (Glucometers)

**(ii) Standalone Notifications**

1	97/99-Customs dated 21 July 1999	Exempts BCD and additional duty under Sections 3(1), 3(3) and 3(5) on standard gold bars imported by a RBI authorized bank
2	30/2004-Customs dated 28 January 2004	Provides full exemption from BCD to <u>second-hand</u> computers/accessories and peripherals received as donation by schools, charitable institutions.
3	102/2007-Customs dated 14 September 2017	Provides exemption from Special Additional Duty (SAD) levied vide section 3(5) of CTA on to all goods imported for subsequent sale when IGST, CGST, SGST or UTGST paid by importer.
4	45/2005-Customs dated 16 May 2005	Provides exemption from Special Additional Duty levied under Section 3(5) of CTA on goods cleared from SEZ to DTA.

5	151/94-Customs dated 13 July 1994	Provides exemption to imports of duty-paid fuel and lubricating oil on aircrafts taken during the outward flight; goods imports by United Arab Airlines; aircraft engines, spares imported by Indian Airlines and Air India International. <i>Re-import entries will operate from re-import notification 45/2017-Cus</i>
6	26-Customs dated 19 <sup>th</sup> February 1962	Provides exemption from import duty under the Sea Customs Act on catering cabin equipment, food and drink on re-importation by aircrafts of the Indian Airlines Corporation from foreign flights

Removal of end-date

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

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