

Budget 2024 : Key Highlights

Revised slab rates under the new personal tax regime

Tax Slab for FY 23-24	Tax Slab for FY 24-25	Tax Rate
Upto to 3,00,000	Upto to 3,00,000	Nil
3,00,000-6,00,000	3,00,000-7,00,000	5%
6,00,000-9,00,000	7,00,000-10,00,000	10%
9,00,000-12,00,000	10,00,000-12,00,000	15%
12,00,000-15,00,000	12,00,000-15,00,000	20%
More than 15,00,000	More than 15,00,000	30%

Net saving of INR 10,000 where income exceeding INR 15 lakh

Enhanced Standard Deduction for employees

Standard deduction for salaried employees opting for new tax regime increased from INR 50,000 to INR 75,000
Maximum saving of INR 7,500

Family pension deduction hiked to INR 25,000 from the existing INR 15,000

Revisions to capital gains regime

Updated holding period for classification of long-term capital gains:

Nature of asset	Holding period for classification as long-term asset
Listed securities	12 months

Nature of asset	Holding period for classification as long-term asset
Unit of equity- oriented funds or zero-coupon bonds	12 months
Debt mutual funds (acquired after 1 April 2023) and Market Linked Debentures	Considered as short-term capital assets in all cases
Unlisted bonds and unlisted debentures transferred on or after 23 July 2024	
All other assets	24 months

Removal of indexation benefits on long term capital assets for transfers on or after 23 July 2024

Updated rates for capital gains tax:

Particulars	Sold before 23 July 2024	Sold on or after 23 July 2024
Long-term capital gains	10%/20%	12.5%
Short-term capital gains on sale of listed equity shares and equity oriented mutual funds	15%	20%
Other short-term capital gains	Slab rates	Slab rates

Increase in exemption limit for long-term gains on sale of listed equity shares and units of equity-oriented fund from INR 1,00,000 to INR 1,25,000

Securities Transaction Tax rates on F&O transactions increased

Corporate tax rate for foreign companies reduced from 40% to 35%

Buyback to be taxed in hands of shareholder as dividend

From 1 October 2024, buyback to be taxed in the hands of shareholder as dividend. Cost of acquisition of shares bought back to be considered as capital loss

Angel tax provisions abolished from 1 April 2024

Revision of monetary limits for filing of Departmental appeals

Monetary limits for filing of appeals related to direct taxes, excise and service tax in the Tax Tribunals, High Courts and Supreme Court to INR 60 lakh, INR 2 crore and INR 5 crore respectively announced in Budget speech

Penalties for non-disclosure of assets under the Black Money Act

Penalties under Black Money Act to not apply if the aggregate value of foreign undisclosed assets (other than immovable property) does not exceed INR 20 lakh

Equalization levy of 2% on e-commerce operators abolished from 1 August 2024

TCS credit while computing TDS on salary

Credit of TCS paid to be considered while computing TDS on salary

TDS on payment to partner

Firm to deduct TDS at 10% on payment of salary, remuneration, bonus or interest to a partner if aggregate payment during year exceeds INR 20,000 from 1 April 2025

Increase in limit of remuneration to working partner allowed as deduction

Remuneration to working partners of a firm to be allowed as a deduction in following manner:

Book Profit	Quantum of deduction
On first INR 6,00,000 of book profit or in case of loss	INR 3,00,000 or 90% of book profit whichever is higher.
On balance profit	60% of book profit

TDS/TCS rates rationalized

TCS at the rate of 1% on luxury goods exceeding INR 10 lakh from 1 January 2025

TDS by e-commerce operators on sale of goods from 1 October 2024 reduced from 1% to 0.1%

TDS on rent by individuals or HUF from 1 October 2024 reduced from 5% to 2%

TDS on life insurance policy from 1 October 2024 reduced from 5% to 2%

Capital gains on gift by companies and entities other than individual or HUF to also be taxed in hands of transferor

Simplification of provisions relating to taxation of charitable trusts

The alternate schemes of exemption for charitable institutions under section 10 and section 11 to be merged

Timelines for disposal of applications for registration under Section 12AB and 80G revised from the earlier six months from the end of month to six months from the end of the quarter in which such applications are filed.

Power to condone delay in applications for exemption has been provided to Principal Commissioner/Commissioner.

Exit tax to not apply on merger of approved charitable trusts

Introduction of Dispute Resolution Scheme

To reduce litigation and resolve pendency of cases at various forums a new edition of the Vivad Se Vishwas Scheme 2024 introduced

Revision in time limit for re-opening

Time limit for re-opening the assessment has been reduced to 5 years from 10 years where income escaping

assessment exceeds INR 50 lakh. In other cases, the time limit continues to be 3 years

Block assessment proceedings reintroduced in respect of search cases

Incentives to support International Financial Service Center (IFSC)

To incentivize operations from the International Financial Services Centre (IFSC):

- Exemption from capital gains on sale of certain securities on stock exchange extended to retail funds and ETFs in IFSC provided that all the unit holders are non-residents
- Exemption of specified income of Core Settlement Guarantee Funds set up by recognized clearing corporations in IFSC
- Exemption from explanation of source of funds of borrower/investor extended to Venture Capital Funds (VCFs) regulated by IFSCA
- Thin-capitalisation rules to not apply in the case of finance companies located in IFSC

GST:

Changes in GST align with the recommendations of the 53rd GST Council Meeting held on June 22, 2024.

Litigation:

- Previous timelines for issuing Show Cause Notices (SCNs) in cases not involving fraud, wilful misstatement, or suppression of facts (33 months from due date of annual return) and fraud cases (54 months from due date of annual return) to be replaced with a uniform 42-month deadline from the due date of annual return for the FY 2024-25 onwards. Orders to be passed within 12 months

from SCN issuance, with the possibility of a six-month extension by the Commissioner or a senior officer, ensuring efficient and accountable GST proceedings

- Maximum pre-deposit for appeals reduced to INR 40 crore for appellate authority (from INR 50 crore) and INR 40 crore for Tribunal (from INR 100 crore), easing taxpayer cashflows.
- Conditional waiver of interest and penalty for demands raised under Section 73 for F.Y 2017-18 to F.Y 2019-20, subject to payment of full tax liability as per notice by a notified date.
- New provisions in Section 11A allow the Government to regularize instances of non-levy or short levy of GST due to prevalent trade practices.
- Amendment allows authorized representatives to appear for summoned persons before the proper officer.

Input Tax Credit:

- Input tax credit claim beyond the prescribed due date under the law allowed for invoices from FY 2017-18 to FY 2020-21, provided that the credit claimed in the GSTR-3B returns filed by November 30, 2021.
- Input tax credit restriction for recipients, previously disallowed for taxes paid due to departmental notices on account of fraud cases from F.Y 2024-25 onwards, proposed to be lifted.

Miscellaneous:

- Prohibition on refunds for zero-rated supply of goods which are subject to export duty.
- Amendment to Section 171 to allow the GST Appellate Tribunal to handle anti-profiteering cases, with a sunset clause for accepting new applications.
- Amendments in Schedule III clarify that certain activities in the insurance sector, such as co-

insurance premium apportionment and services to reinsurers, are neither supplies of goods nor services.

- Retrospective exemption (effective July 1, 2017) from GST Compensation Cess on imports by SEZ.

Customs:

- Customs tariff changes aim to bolster domestic manufacturing, enhance local value addition, boost export competitiveness, simplify taxation, and prioritize public and consumer interests.
- Custom duty exemptions on critical minerals and reduced tariffs on mobile phones aim to boost strategic sectors and consumer affordability.
- Higher tariffs on non-biodegradable PVC flex banners and incentives for solar energy equipment to support renewable energy goals.
- Measures like reduced duties on precious metals and seafood inputs, along with extended timelines for export facilitation, aim to enhance export competitiveness and domestic manufacturing

Excise:

- Retrospective exemption from Clean Environment Cess effective June 30, 2017, for excisable goods in stock subject to payment of GST Compensation Cess payable on supply from July 1, 2017 onwards.