

KNM Management Advisory Services Pvt. Ltd. presents

केन्द्रीय बजट
UNION BUDGET
SYNOPSIS- 2024

*To provide Fair, Accurate, Independent,
Reliable and Quick services to our clients.*



NEED TO KNOW



Key Sectoral Impacts



Direct Tax Amendments



GST and Custom Analysis

Key Sectoral Impact

- Sustainable Development
- Infrastructure and Investment
- Health
- Housing
- Tourism



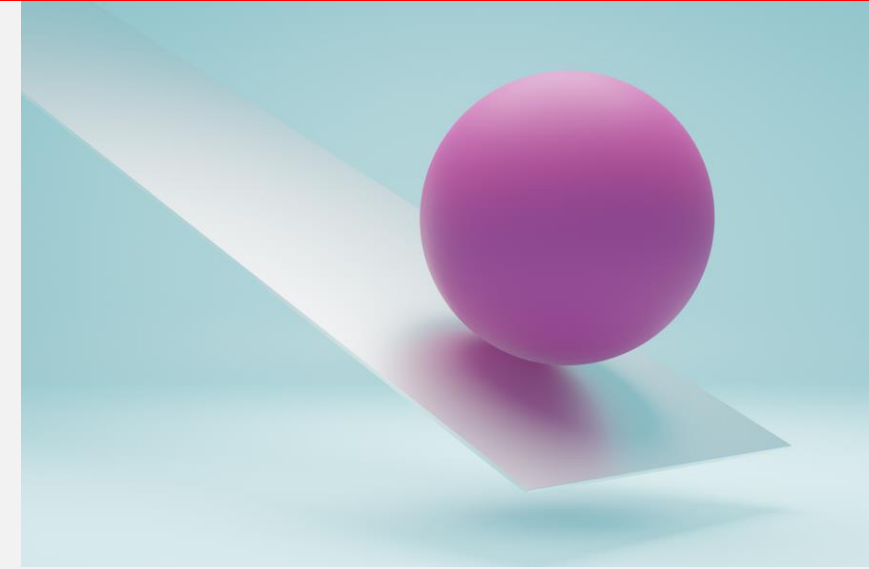
SUSTAINABLE DEVELOPMENT

- About 10 million households will receive free electricity for up to 300 units every month under the rooftop solarisation and free electricity scheme.
- More than 10 crore, LPG connections released under Pradhan Mantri Ujjwala Yojana.
- Adoption of e-buses for public transport network
- Strengthening e-vehicle ecosystem by supporting manufacturing and charging.
- Long-term interest free loans to be provided to States to encourage development.



INFRASTRUCTURE AND INVESTMENTS

- Implementation of 3 major railways corridor programmes under PM Gati Shakti to improve logistics efficiency and reduce cost.
- Expansion of existing airports and comprehensive development of new airports under UDAN scheme.
- Promotion of urban transformation via Metro rail and NaMo Bharat.



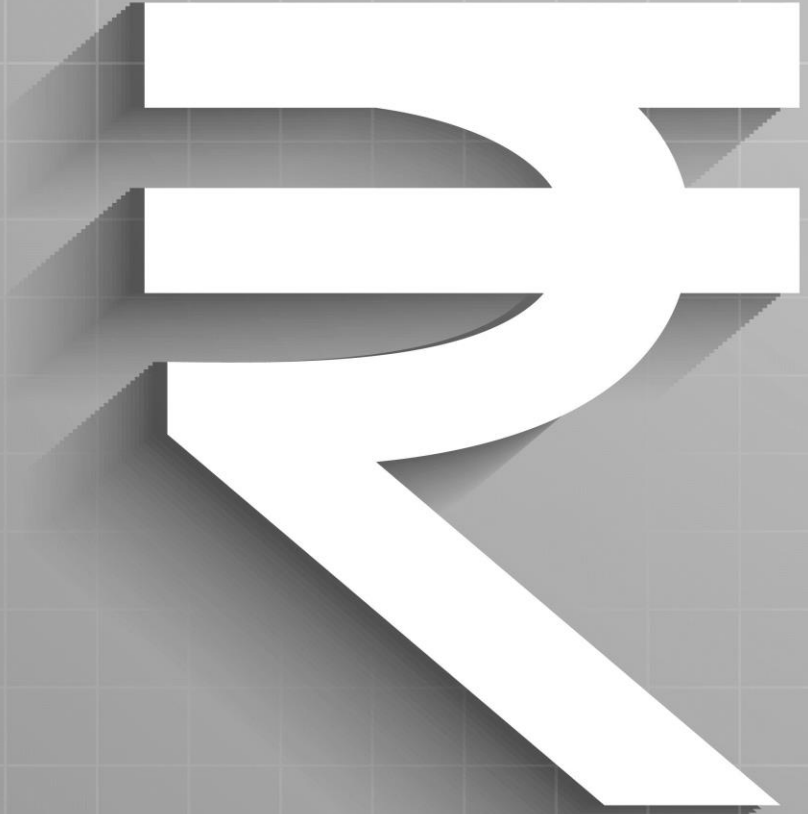
HEALTH

- Set up more medical colleges using existing hospital infrastructure; a committee is being set up to make recommendations.
- Promote vaccination for girls (aged 9 to 14) to prevent cervical cancer.
- To Improve nutrition delivery, early childhood care and development, Sakhsam Anganwadi and Poshan 2.0 has to be expedited.
- Extend healthcare coverage under the Ayushman Bharat scheme to caregivers, viz. ASHA workers, Anganwadi workers and helpers.

HOUSING AND TOURISM

- Pradhan Mantri Awas Yojana (Grameen) almost achieve the target of 3 crore housesn and also additional 2 crore targeted for next 5 years.
- To promote middle class, Housing for middle class scheme to be launched to built their own houses.
- States will be encouraged to undertake development of iconic tourist centres to attract business and promote opportunities for local entrepreneurship.





Amendments in Income Tax laws



Old Tax Regime – No Change

Annal Taxable Income	Income Tax Rate	Surcharge	Health and Education Cess
Up to Rs. 250 Thousand	Nil	Nil	4%
between Rs. 250 Thousand to Rs. 500 Thousand	5%		
between Rs. 500 Thousand to Rs. One Million	20%		
between Rs. One Million to Rs. 5 Million	30%	10%	
between Rs. 5 Million to Rs. 10 Million		15%	
between Rs.10 Million to Rs. 20 Million		25%	
between Rs.20 Million to Rs. 50 Million		37%	
above Rs. 50 Million			



- ❖ Basic exemption in case of Senior Citizen (Age 60 Years to 79 Years) is INR 3,00,000 and very senior citizen (Age 80 Years or more) is INR 500,000.
- ❖ Rebate under Section 87A: Resident individual-total Income < Rs. 5,00,000: Rebate- 100% of tax calculated before cess or 12,500 whichever is less.

Concessional Tax Regime-U/s 115BAC

New Regime (Default) – No Change

Income (INR)	Rate of Tax
Up to INR 3,00,000	NIL
INR 3,00,001 to INR 6,00,000	5%
INR 6,00,001 to INR 9,00,000	10%
INR 9,00,001 to INR 12,00,000	15%
INR 12,00,001 to INR 15,00,000	20%
Above INR 15,00,000	30%



- ❖ Rebate U/s 87A: Resident individual-total Income < Rs. 7,00,000: Rebate- 100% of tax calculated before cess or 25,000 whichever is less.
- ❖ Surcharge rate is restricted to 25% only.
- ❖ Standard deduction of Rs.50,000 alongwith family pension will be also allowed.
- ❖ Default tax regime will be u/s 115BAC
- ❖ If Agniveers opts New tax regime U/s 115BAC then also deduction U/s 80CCH will be allowed.

Corporate Tax – FY 2024-25

Domestic Companies- No change

Taxable Income Range		Taxation U/s 115BA			Taxation U/s 115BAA		Taxation U/s 115BAB	
Particulars	Basic Rate	Surcharge	Health & Education Cess	Effective Rate	Basic Rate	Effective Rate	Basic Rate	Effective Rate
Income Up to Rs.10 Million	25% 30%	Nil	4%	26% 31.20%	22%	25.17% (Surcharge 10% H & Ecess 4%)	15%	17.16% (Surcharge 10% H & Ecess 4%)
Income between Rs.10 Million to Rs.100 Million	25% 30%	7%	4%	27.82% 33.38%				
Income above 100 Million	25% 30%	12%	4%	29.12% 34.94%				
Basic Tax 25%: Turnover does < 4000 Million in the previous year 2022-23 Basic Tax 30%: Turnover exceed> Rs. 4000 Million in the previous year 2022-23 MAT @15%					MAT provision not applicable			

Corporate Tax – FY 2024-25

Foreign Companies- No change

In case taxpayer is foreign companies, Basic Tax Rate shall be 40% plus applicable Surcharge (2%/5%) & education cess(4%).

Increasing threshold limits for presumptive taxation schemes

Section	Old Limit	New Limit
44AD	Rs. 2 Crore	Rs. 3 Crore
44ADA	Rs.50 Lakh	Rs. 75 Lakh

Applicability: cash receipts/ non account payee receipt < 5% of the total turnover

The above limit will be applicable with effect from 01.04.2024.

PRESUMPTIVE TAX SCHEME

Section 44AD & Section 44ADA of Income Tax Act, 1961

Withdrawn of Outstanding Demand

- Demand upto Rs. 25,000/- pertaining to the period upto the financial year 2009-10 propose to be withdrawn.
- Demand upto Rs. 10,000/- for the financial year from 2010-11 to 2014-15 also propose to be withdrawn.

Benefits for Start-up and IFSC Units

- Certain tax benefits to start-ups and investments made by sovereign wealth or pension funds as also tax exemption on certain income of some IFSC units are expiring on 31.03.2024 but it propose to extend the date to 31.03.2025



Amendments in Goods & Services Tax/Custom Laws



INPUT SERVICE DISTRIBUTOR:-

- **Amendment in Clause 61 of Section 2–**

The amended definition of ISD reads as ” an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20”.

The amendment proposed to include the ISD to distribute ITC in respect of services, the tax on which is liable to be paid under reverse charge mechanism u/s 9(3) and 9(4) of the CGST Act.

- **Manner of distribution of credit by ISD :**

To claim the common input services and distribution of ITC , it is proposed to make **registration mandatory** as Input Service Distributor.

Earlier, Head Office (HO) had an option to distribute ITC in respect of such common input services either by following ISD mechanism or cross charge and that the ISD route was not mandatory as per the current provisions of the CGST Act and Rules.

A new manner of distribution would be prescribed subject to some restrictions and conditions to distribute the credit.

New Section has been inserted after Section 122A

122A. (1) Notwithstanding anything contained in this Act, where any person, who is engaged in the manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, acts in contravention of the said special procedure, he shall, in addition to any penalty that is paid or is payable by him under Chapter XV or any other provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees for every machine not so registered.

(2) In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure and confiscation:

Provided that such machine shall not be confiscated where—

(a) the penalty so imposed is paid, and

(b) the registration of such machine is made in accordance with the special procedure within three days of the receipt of communication of the order of penalty.



Our team of qualified and motivated professionals assist foreign companies in establishing their entity in India and after establishing, we act as a growth partner with the parent company as well as the Indian entity by extending our advisory and management consulting services.

We also provide assistance in timely compliance of Direct/Indirect tax, corporate Laws, commercial laws and accounting support in India.

We extend advisory and consultation services to the foreign companies in identifying a suitable business partner in India so that both the parties can take advantage of synergies.

Industry	Finance, Legal, Accounting, Research
Founded	2007
Founder(s)	Mr. Manoj Chawla Mr. Sandeep Bansal
Head Office	Gurgaon, India
Area Served	All India through network of Associates
Team	40
Main Services	Entry Strategy into India, Direct & Indirect Tax Advisory, Audit & Assurance, Partner Search, Business Valuation, Due Diligence

Our Affiliations



International Association of separate and independent accounting and advisory businesses



The Associated Chambers of Commerce & Industry of India



Japan Chamber of Commerce and Industry in India



