

Budget (The Finance Bill, 2023) - Direct Tax

- ▶ Individuals in the new tax regime, with income up to ₹7 lakh will not have to pay any tax.
- ▶ The new tax Regime slab rates

Amount	Rates
0-3 Lahs	Nil
3-6 Lakhs	5%
6-9 Lakhs	10%
9 -12 Lakhs	15%
12 - 15 Lakhs	20%
>15 lakhs	30%

- ▶ The highest rate of surcharge (on income exceeding 5 crores) 37% has been reduced to 25%.
- ▶ No deduction under Chapter VIA (80C , 80D etc., except contribution by employer to notified pension scheme i.e. 80CCD (2)).
- ▶ In my personal opinion, those who have claimable deductions , it's advisable to choose the old regime than on new regime.

❖ **Enhanced Limits for presumptive taxation**

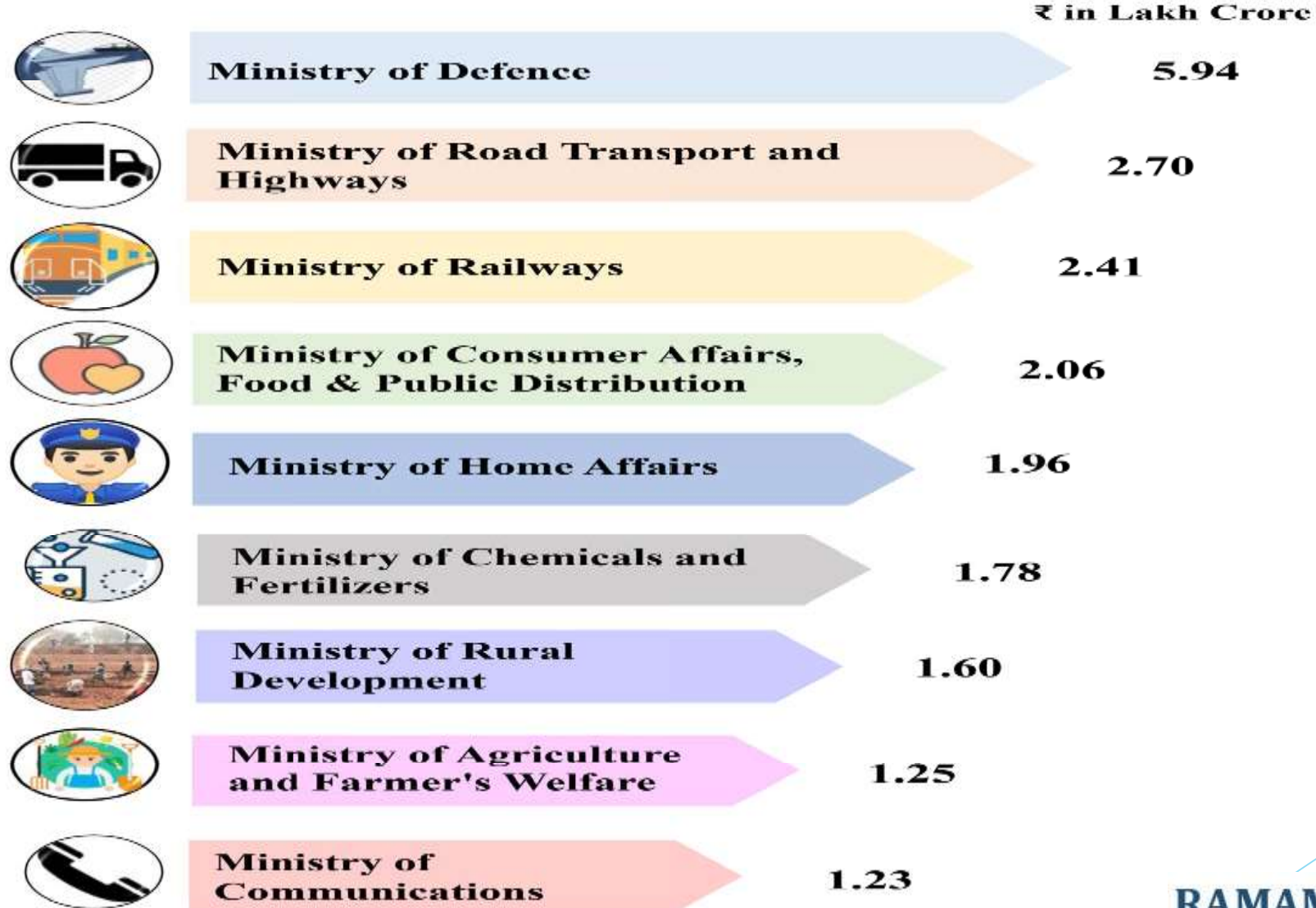
- **44AD – 2 Crores to 3 Crores**
- **44ADA – 50 Lakhs to 75 lakhs**

- ❖ **Increasing the carry forward of loss benefit from 7 Years to 10 Years allowed for start ups.**
- ❖ **Tax concession –Capital Gain - Investments in residential houses u/s S.54 & S.54F restricted to 10 Crores.**
- ❖ **Increasing Tax Exemption Limit to 25 Lakhs on leave encashment on retirement for non government salaried employees .**
- ❖ **Deduction on payments made to MSMEs to be allowed only when payment is actually made.**
- ❖ **Co-operatives that commence manufacturing activities before March 31, 2024, shall get the benefit of a lower tax rate of 15%.**
- ❖ **Gambling & Online gaming - Removing the minimum threshold of Rs 10,000/- for TDS deduction u/s 194B & BB (@30%) clarifying taxability relating to online gaming.**
- ❖ **Not treating conversion of gold into electronic gold receipts as capital gain and vice versa**
- ❖ **Reducing the TDS rate from 30% to 20% on taxable portion of EPF withdraws in Non – PAN cases.**

INDIRECT TAX

- ❖ The basic custom duty rates on goods , other than textiles & agriculture is reduced from 21 to 13%
- ❖ Exempt excise duty on GST paid Compressed bio gas contained in it.
- ❖ Custom duty exemption to import of capital goods & machinery required for manufacturing of Lithium – Ion cells for batteries used EV vehicles
- ❖ Relief in custom duty for manufacturing of mobile phones on import of certain parts & inputs like camera lens and concessional duty on lithium ion cells for batteries for another year.
- ❖ Manufacturing of Televisions - the basic custom duty on part of open cells of TV Panels to 2.5%
- ❖ The basic custom duty on electric kitchen chimney is being increased from 7.5 % to 15% & on heat coils it is reduced from 20% to 15%.
- ❖ Cigarettes – Revised upwards by 16%.

Allocation for Specific Ministries



**RAMAMOHAN REDDY M & CO.,
CHARTERED ACCOUNTANTS**