

# INCOME TAX ACT

**BUDGET ANALYSIS 2024-25**

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
10	2024-25	Incomes not included in total income	Time limit for commencing operations on or before 31 <sup>st</sup> Mar-2024 for; (aa) Investment Division of Offshore Banking unit (c) Category I Investment Division of Offshore Banking unit (4F) Income of a non-resident by way of Royalty or interest , on account of lease of an aircraft (23FE) Income of a specified person in the nature of Dividend, Interest or long term capital gain arising from an investment made by it in India	(a) in clause (4D), in the Explanation,— (i) in clause (aa), for the figures “2024”, the figures “2025” shall be substituted; (ii) in clause (c), in sub-clause (ii), in item (I), for the figures “2024”, the figures “2025” shall be substituted; (b) in clause (4F), for the figures “2024”, the figures “2025” shall be substituted; (c) in clause (23FE), in sub-clause (i), for the figures “2024”, the figures “2025” shall be substituted.	Time limit for commencing operations extended till 31 <sup>st</sup> Mar-2025 for mentioned entities.
80IAC		Special provision in respect of specified business	eligible start-up" means a company or a limited liability partnership engaged in	in the Explanation, in clause (ii), in sub-clause (a), for the figures “2024”, the figures “2025” shall be substituted.	Boosting step for Start ups engaged in innovation, development or improvement of products or processes or services

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			eligible business which fulfils the following conditions, namely:— (a) it is incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 2024		by extending benefit of tax exemption of 100% profits for three consecutive assessment years. Now, startups incorporated on or after 1 <sup>st</sup> Apr 2016 to 1 <sup>st</sup> Apr 2025 can avail this benefit.
<b>80LA</b>		Deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre	Subsection (2) The income referred to in sub-section (1) and sub-section (1A) shall be the income  (d) arising from the transfer of an asset, being an aircraft or a ship, which was leased by a unit referred to in clause (c) to a person, subject to the condition that the unit has commenced operation on or before the 31st day of March, 2024.	Sub-section (2), in clause (d), for the figures "2024", the figures "2025" shall be substituted.	Time limit for commencing operations extended till 31 <sup>st</sup> Mar-2025 for mentioned entities.

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92CA		Reference to Transfer Pricing Officer	Subsection (9) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (8), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification: Provided that no direction shall be issued after the 31st day of March, 2024	in sub-section (9), in the proviso, for the figures "2024", the figures "2025" shall be substituted.	The extension of one year has been granted for providing directions for the scheme in determining the arm's length price, in cases of transfer pricing.
144C		Reference to dispute resolution panel	Subsection (14C) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (14B), by	in sub-section (14C), in the proviso, for the figures "2024", the figures "2025" shall be substituted.	The extension of one year has been granted for providing directions for the scheme by Dispute resolution panel.

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			notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification: Provided that no direction shall be issued after the 31st day of March, 2024.		
<b>206C</b>	<b>1<sup>st</sup> Jul 2023 / 1<sup>st</sup> Oct 2023</b>	Collection at source - Profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc	(1G) Every person,— (a) being an authorised dealer, who receives an amount, for remittance from a buyer, being a person remitting such amount under the Liberalised Remittance Scheme of the Reserve Bank of India;	in sub-section (1G),— (a) in the long line, for the word “twenty”, the word “five” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2023; (b) in the first proviso, the words “and is for the purposes of education or medical treatment” shall be	The TCS rates for the Liberalised Remittance Scheme (LRS) and Overseas tour program packages have been reduced from 20% to 5%, effective July 1, 2023.  Furthermore, the benefit of Rs. 7 lakhs has been expanded to cover all remittances under the Liberalised Remittance Scheme (LRS), as opposed to solely for

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			<p>(b) being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package, shall, at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer, by any mode, whichever is earlier, collect from the buyer, a sum equal to twenty per cent of such amount as income-tax:</p> <p>Provided that the authorised dealer shall not collect the sum, if the amount or aggregate of the amounts being remitted by a buyer is less than seven lakh</p>	<p>omitted and shall be deemed to have been omitted with effect from the 1st day of July, 2023;</p> <p>(c) in the second proviso, with effect from the 1st day of October, 2023,—</p> <p>(i) for the word “five”, the word “twenty” shall be substituted and shall be deemed to have been substituted;</p> <p>(ii) for the words “is for the purposes of”, the words “is for purposes other than” shall be substituted and shall be deemed to have been substituted;</p> <p>(d) after the third proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2023, namely:—</p> <p>“Provided also that the seller of an overseas tour programme package shall collect a sum of twenty per cent. of the amount or aggregate of amounts in excess</p>	<p>education or medical purposes, starting from October 1, 2023.</p> <p>As of October 1, 2023, TCS collection rates for all remittances, excluding those for education or medical treatment, is increased from 5% to 20%.</p> <p>A new provision has been introduced for sellers of overseas tour program packages, mandating a 20% TCS collection on the aggregate package amount exceeding Rs. 7 lakhs in a financial year, effective October 1, 2023.</p> <p>Additionally, these provisions have been made retrospective, treating them as if they were in effect from April 1, 2023, by introducing a new proviso to the section.</p>

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			<p>rupees in a financial year and is for the purposes of education or medical treatment: Provided further that the sum to be collected by an authorised dealer from the buyer shall be equal to five per cent of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, where the amount being remitted is for the purposes of education or medical treatment: Provided also that the authorised dealer shall collect a sum equal to one half per cent of the amount or aggregate of the amounts in excess of seven lakh</p>	<p>of seven lakh rupees received from the buyer in a financial year:”; (e) after the fifth proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2023, namely:— “Provided also that the sum to be collected under this sub-section on or after the 1st day of July, 2023 and before the 1st day of October, 2023, shall be collected in accordance with the provisions of this sub-section as they stood on the 1st day of April, 2023.”.</p>	

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			rupees remitted by the buyer in a financial year, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education:		
253		Appeals to the Appellate Tribunal	Subsection (9) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (8), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification:	Sub-section (9), in the proviso, for the figures "2024", the figures "2025" shall be substituted.	The extension of one year has been granted for providing directions for the scheme by the Central Government i.e. till 31 <sup>st</sup> Mar 2025.

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			Provided that no direction shall be issued after the 31st day of March, 2024.		
255		Procedure of Appellate Tribunal	(8) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (7), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply to such scheme or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification: Provided that no such direction shall be issued after the 31st day of March, 2024.	in sub-section (8), in the proviso, for the figures "2024", the figures "2025" shall be substituted.	The extension of one year has been granted for providing directions for the scheme by the Central Government i.e. till 31 <sup>st</sup> Mar 2025.

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