



**UNION**  
**BUDGET**

**2023-24**



**CBC**

C. B. Chhajer & Co  
Chartered Accountants

# CONTENTS:

- Preface

- Key Terms in Budget

- Direct Tax

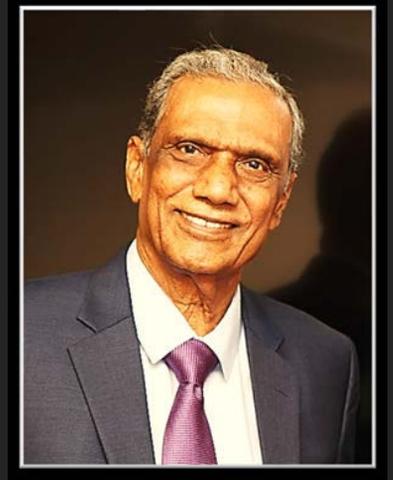
- Indirect Tax

- About Us



# C. B. Chhajed & Co.

**CA C. B. Chhajed,  
Founder Partner**



## Preface :

The Budget 2023 is the first Union budget in Amrit Kal. With a vision to create opportunities for Citizen with focus on the youth, growth & job creation, strong & stable macro – economic environment, particularly focusing on agriculture.

It is a booster for rural consumption demand & boost to tourism.

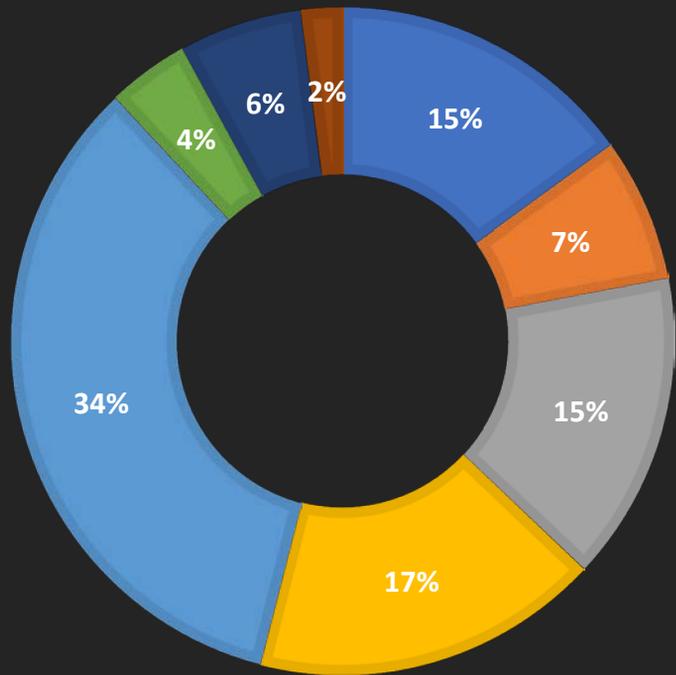
The government has taken all the efforts for job creation, socio – economic welfare, etc. Furthermore, the government is trying to uplift the backward section & enhance the economy.

I personally feel the provision for providing more tax benefits to the individual assessee seems to be an inclusive approach towards enhancing economy.

Considering overall proposals, I would say it is a “Right Step in Right Direction for the Growth of our Nation.”

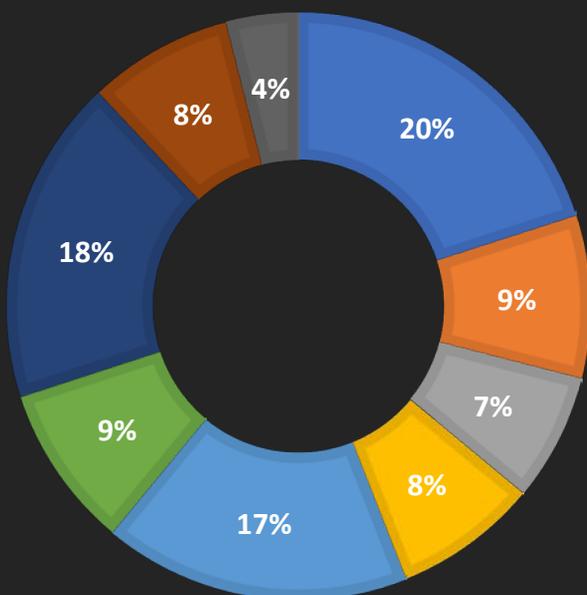
## RUPEES COME FROM:

- Income Tax
- Union Excise Duties
- Corporation Tax
- GST & Other Tax
- Borrowing & Other Liabilities
- Custom
- Non- Tax Receipts
- Non-Debt Capital Receipts



## RUPEES GO TO:

- Interest payments
- Centrally Sponsored Schemes
- Subsidies
- Defence
- Central Sector Schemes
- Finance Commission & other transfers
- States' share of Taxes & duties
- Other Expenditure
- Pensions



# Agriculture & Co-operatives

## Building digital public Infrastructure

- Building an accessible, inclusive & informative solution for farmers

## Making India Global Hub for Millets "Sree Anna"

- Support to be given to IIMR (Indian Institute of Millet Research) Hyderabad for promoting Research

## Setting up Agriculture Accelerator Fund

- For encouraging agri-startups by entrepreneurs in rural areas

## Targeted Funding

- Rs. 20 lakh crore agricultural credit targeted at Animal Husbandry, Dairy & Fisheries sector

# Health Sector

157 New Nursing Colleges to be established

New programme to promote research in Pharmaceuticals to be launched

# Amrit Peedhi - Youth Power

**PMKVY 4.0 will be launched**

- Covering new courses like coding, AI, Robotics, 3D printing etc.

**Measures to boost Tourism sector**

- At least 50 destinations to be developed as a complete package for domestic & foreign tourists

**States will be encouraged to set-up Unity Malls**

- For promotion & sale of ODOP (One district-One product), GI Tagged & handicraft products

## Financial Sector

**Setting up of “National Financial Information Registry”**

- To enable efficient lending, promote financial inclusion & enhance financial stability

**Deposit limit for Senior Citizen Savings Scheme**

- Limit of Senior Citizen Saving Scheme has been increased from Rs. 15 Lakhs to Rs. 30 Lakhs.

**Deposit limit for Monthly Income Scheme.**

- Limit increased from Rs. 4.5 Lakhs to Rs. 9 Lakhs (Single Account).
- Limit Increased from Rs. 9 Lakhs to Rs. 15 Lakhs (Joint Account).

# Education & Skilling

Revamped Teacher's training via District Institutes of Education & Training

National Digital Library to be set up for Children & adolescents. New non curriculum books in regional Languages & English to be added

More teachers to be recruited for 740 Eklavya Model Residential Schools

States will be encouraged to set up physical libraries at Panchayat & ward levels

## Reaching the last Mile

Pradhan Mantri PVTG\* Development Mission to be launched

Bharat (SHRI)^ to be set up for digitalization of ancient inscriptions

\*PVTG Particularly Vulnerable Tribal Groups

^SHRI Shared Repository of Inscriptions

# Infrastructure & Investment

Increased capital investment outlay by 33.4% to Rs. 10 Lakh crore

Continuation of 50 year interest free loan to State Government to incentivize infrastructure investment

Highest ever Capital outlay of Rs. 2.4 Lakh crore for Railways

Creating Urban Infrastructure in Tier II & III cities via establishment of UIDF\*\*

## Green Growth

**PM-PRANAM\* to be launched**

- Will incentivize States/UTs to promote usage of alternative fertilizers

**Green credit Programme**

- To be notified under EPA to incentivize sustainable actions

**Sustainable Ecosystem Development**

- MISHTI<sup>^</sup> to be taken up for Mangrove plantation along the coastline
- Amrit Dharohar to be implanted for optimal usage of wetlands

**Other Incentives**

- Setting up 10,000 bio-inputs resource centres to facilitate farmers to adopt natural farming
- Promotion of Battery energy storage systems

\*\*UIDF Urban Infrastructure Development fund

\*PRANAM PM Programme for restoration, awareness, nourishment & amelioration of Mother Earth

<sup>^</sup>MISHTI Mangrove Initiative for Shoreline Habitats & Tangible Incomes

# Direct Tax

## Key Amendments

- ❑ Increase in Relief U/s 87A in case of assessee opting for New Scheme from 5 lakhs to 7 Lakhs
- ❑ Standard Deduction U/s 16 of Rs 50,000 shall be allowed in New Scheme for the Salaried individual.
- ❑ Highest surcharge has been reduced from 37% to 25% for assessee opting for New tax regime
- ❑ New Tax Regime shall be the default tax regime
- ❑ New Sec 194BA has been introduced which is applicable from 01-07-2023, TDS @ 30% shall be deducted on withdrawal of net winnings from Online Gaming
- ❑ TDS on Cash withdrawal for **Co-Operative Society** in excess of Rs 3 Crore
- ❑ Insertion of New Section 80CCH: Deduction in respect of contribution made in Agniveer Corpus Fund Account (EEE Status)

# Direct Tax

## Key Amendments

- ❑ Insertion of the new clause under Sec 43B: Disallowance in case of Non-Payment to a micro or small enterprise beyond the time limit specified in the MSMED Act, 2006.
- ❑ Increase in time limit for registration as an eligible startup U/s 80-IAC till 31-03-2024.
- ❑ Extension of time to set off carried forward loss for an eligible startup from 7 years to 10 years
- ❑ Conversion of Physical Gold to Electronic Gold Receipt (EGR) and vice versa shall not be treated as a transfer for Capital Gain taxation.
- ❑ Increase in limit for Presumptive Taxation U/s 44AD from Rs 2 Crore to Rs 3 Crore.
- ❑ Increase in limit for Presumptive Taxation U/s 44ADA (Specified Profession) from Rs 50 Lakhs to Rs 75 Lakhs.

# Direct Tax

## Key Amendments

- ❑ Maximum deduction U/s 54 & 54F (Residential Immovable property) is allowed up to Rs 10 Crore.
- ❑ Taxability of life insurance proceeds U/s 10(10D) for policies whose premium paid during a year exceeds Rs 5 Lakhs.
- ❑ Leave encashment exemption for non - government employees is increased from Rs. 3 Lakh to Rs. 25 Lakh.
- ❑ New Section 115BAE 15% tax for New Manufacturing Co-Operative Society established on or after 01-04-2023

INCOME TAX  
RATE  
(UNDER THE  
OLD TAX  
REGIME)

A). For  
Individuals

<b>a) Below 60 Years of Age</b>	
<b>Amount of Taxable Income</b>	<b>Percentage</b>
Nil- 2,50,000	Nil
2,50,000-5,00,000	5 %
5,00,000-10,00,000	20%
Above 10,00,000	30%

<b>b) Above 60 Years of Age but Below 80 years of Age.</b>	
<b>Amount of Taxable Income</b>	<b>Percentage</b>
Nil- 3,00,000	Nil
3,00,000-5,00,000	5 %
5,00,000-10,00,000	20%
Above 10,00,000	30%

<b>c) Above 80 Years of Age</b>	
<b>Amount of Taxable Income</b>	<b>Percentage</b>
Nil- 500,000	Nil
5,00,000-10,00,000	20%
Above 10,00,000	30%

**INCOME TAX  
RATE  
(UNDER THE  
OLD TAX  
REGIME)**

**B). For  
HUF/AOP/BOI**

<b>Income Tax Slab</b>	
<b>Amount of Taxable Income</b>	<b>Percentage</b>
Nil- 2,50,000	Nil
2,50,000 - 5,00,000	5 %
5,00,000 – 10,00,000	20%
Above 10,00,000	30%

**INCOME TAX  
RATE  
(UNDER NEW  
TAX REGIME  
U/s 115BAC)**

**For Individuals/  
HUF/ BOI/ AOP**

AY 2024-2025		AY 2023-2024	
Amount of Taxable Income	Percentage	Amount of Taxable Income	Percentage
Nil- 3,00,000	Nil	Nil- 2,50,000	Nil
3,00,000-6,00,000	5 %	2,50,000-5,00,000	5 %
6,00,000-9,00,000	10%	5,00,000-7,50,000	10%
9,00,000-12,00,000	15%	7,50,000-10,00,000	15%
12,00,000-15,00,000	20%	10,00,000-12,50,000	20%
Above 15,00,000	30 %	12,50,000-15,00,000	25%
		Above 15,00,000	30%

*Assessee having a total Income of Rs. 15 Lakh has to pay tax of Rs. 1.5 Lakh as compared to Rs.1.875 Lakhs as per earlier tax rates in new tax regime, thus saving in 20% tax rate.*

## **SURCHARGE:-**

Particulars	Surcharge (Old Rate)	Surcharge (New Rate)
▪ Total Income exceeding Rs. 50 Lakhs but does not exceeds Rs. 1 Crore.	10%	10%
▪ Total Income exceeding Rs. 1 Crore but does not exceeds Rs. 2 Crore.	15%	15%
▪ Total Income (excluding dividend income, 111A income, 112 income & 112A income) exceeding Rs. 2 Crore but does not exceeds Rs. 5 Crore.	25%	25%
▪ Total Income (excluding dividend income, 111A income, 112 income & 112A income) exceeding Rs. 5 Crore.	37%	25%
• Total income (including dividend income, 111A, 112 income, 112A income) exceeds Rs. 2 Crore.	15%	15%

### Health and Education Cess:-

4% on (Income Tax + Surcharge, if any)

### Rebate:-

100% rebate for Income Up to Rs. 7,00,000 to Resident Individual AOP / BOI in New Tax Regime.

C) Partnership Firms/ LLP / Local Authorities

- Partnership Firms and LLPs (Limited Liability Partnerships) and Local Authorities are to be taxed at the rate of 30%.
- Surcharge: if Income exceeds Rs. 1 Crore 12% of Income Tax.
- Health & Education Cess : 4% on (Income Tax + Surcharge, if any).

D) Domestic Company.

Particulars	Section 115BAA	Section 115BAB	Normal Provision
Tax Rates	22%	15%	25% (*Revenue < 400 Cr.) 30% (*Revenue > 400 Cr.) * Revenue for FY 2020- 21
Surcharge	10%	10%	1 Cr. To 10 Cr => 7% 10 Cr. & Above => 12%
HEC	4%	4%	4%
Applicable to	All Domestic Companies	Newly formed Domestic Company having eligible Manufacturing Business.	All the Companies
MAT Applicability	N.A.	N.A.	Applicable @ 15%
Additional Conditions	Deductions & Certain Exemptions are not allowed.	Deductions & Certain Exemptions are not allowed.	-

E) Foreign Companies

- Foreign companies are to be taxed at the rate of 40%.
- Surcharge : Income between Rs. 1 Crore – Rs. 10 Crore – 2% Income exceeding Rs. 10 Crore - 5%
- Health & Education Cess : 4% on (Income Tax + Surcharge, if any)

F) Co- Operative Societies

Income Tax Slabs		
Amount of Taxable Income	Percentage (%) Regime	
	Normal Provision	Section 115BAD
Nil - Rs. 10,000	10%	22%
Rs. 10,000 – Rs. 20,000	20%	
Above Rs. 20,000	30%	

# Indirect Tax

## Key Amendments

- ❑ Person supplying goods through e-commerce operator shall be eligible for opting for composition scheme. Supplier of service through e-commerce operator will continue to be ineligible for composition scheme. Earlier suppliers of goods and services through e-commerce operators were ineligible for composition scheme.
- ❑ In case of failure to make payment in 180 days, “ITC shall be reversed along with interest” instead of being added to “outward liability along with interest” as was mentioned earlier. This has been done to align the provisions with the format of GSTR-3B which is already in effect from October 2022 onwards.
- ❑ For the purpose of reversal of Common ITC under Rule 42, value of supply of warehoused goods shall also be included in the “Value of exempt supply”. Earlier, “Sale of land and building after Occupancy Certificate” was the only Schedule III item included in “Value of Exempt Supply”.

# Indirect Tax

## Key Amendments

- ❑ New clause (fa) inserted to Section 17(5) whereby any goods or services used towards corporate social responsibility obligations under Section 135 of Companies Act, 2013 is not eligible for input tax credit.
  
- ❑ Taxpayer shall not be allowed to file the following returns after 3 years from their respective due dates:
  - GSTR-1 return (Section 37)
  - GSTR-3B return (Section 39)
  - Annual Return and Reconciliation Statement (GSTR-9 and GSTR-9C) (Section 44)
  - GSTR-8 (E-commerce Operator) (Section 52)
  
- ❑ Provisions with respect to sanction of refund under Section 54 have been amended to bring it in line with availment of input tax credit as per GSTR-2B.

# Indirect Tax

## Key Amendments

- Clarification given for interest on delayed refund that interest will be computed from 61<sup>st</sup> day of application of refund till the date of refund of tax subject to conditions and restrictions as may prescribed. Earlier conditions and restrictions were not imposed for this provision.
  
- Section 122(1B) has been introduced to penalise E-Commerce operators in case
  - Any unregistered person makes a supply through their platform, unless exempted, or
  - Makes an ineligible inter-state supply or
  - ECO files an incorrect statement under Section 52.

Penalty shall be higher of Rs. 10,000 or tax which would have been paid, had the supplier been registered.

# Indirect Tax

## Key Amendments

❑ The following offences shall not be punishable under section 132:

- Preventing any officer from discharging his duties
- Destruction or alteration of any evidence or documents
- Failure to give any information to the officer

Suitable amendments made in Section 138 for compounding of offences.

❑ Offence committed by a person by issuing fake invoice or bill for the purpose of availment of input tax credit shall not remain a compoundable offence by virtue of Amendment to Section 138(1)(c).

Penalty for compounding of offence changed and to now remain in the range of 25% to 100% of the amount of tax involved.

# Indirect Tax

## Key Amendments

- ❑ A new section 158A has been introduced for sharing of information submitted by a person at the time of registration, or in the returns filed on the common portal, or any other information available on the common portal with various other Government Portals, with the consent of the taxpayers.
- ❑ Paragraph 7 & 8 of Schedule III of CGST Act dealing with out and out supply, supply of warehoused / bonded goods and high seas sales have been made retrospectively applicable from 1<sup>st</sup> July, 2017. Any tax paid prior to this amendment shall not be refunded back to the taxpayers.
- ❑ Definition of “Non-taxable Online Recipient” has been amended and widened by amending Section 2(16) of IGST Act and it now means that any unregistered person, located in taxable territory, and availing OIDAR services will fall under the said definition.

# Indirect Tax

## Key Amendments

- ❑ Definition of Online Information and Database Access and Retrieval Services given in Section 2(17) of IGST Act has been amended and widened by removing the condition of “Minimal Human Intervention”.
- ❑ Section 12(8) of IGST Act which deals with place of supply of “Transportation of Goods”. Proviso to Section 12(8) has been omitted. Place of Supply for Transportation of Goods shall now either be the location of the recipient or the location where the goods are handed over.

# Indirect Tax

## Change in Rate of BCD

Particulars	Old BCD Rate	New BCD Rate
Denatured ethyl alcohol for use in the manufacture of industrial chemicals	5%	NIL
Acid grade fluorspar (containing by weight more than 97% of calcium fluoride)	5%	2.5%
Crude glycerine for use in manufacture of epichlorohydrin through IGCR route	7.5%	2.5%
Imitation jewellery classified under Heading 7117	22% or Rs. 400/kg, whichever is higher	25% or Rs. 600/kg, whichever is higher Exempted from SWS
'Seeds' for use in manufacture of rough lab grown diamond for a period of two years	5%	NIL

# Indirect Tax

## Change in Rate of BCD

Particulars	Old BCD Rate	New BCD Rate
Camera lens for camera module and input/sub parts for lens of camera module of mobile phone	2.5%	NIL
Parts for manufacture of open cells of TV panels	5%	2.5%
Electric kitchen chimney	7.5%	15%
Heat coils for use in manufacture of electric kitchen chimney	20%	15%
Vehicle (including electric vehicles) in Semi-Knocked Down (SKD) form	30%	35% Exempted from SWS
Vehicles in Completely-Built Unit (CBU) form	60%	70% Exempted from SWS
Bicycles	30%	35% Exempted from SWS

# Indirect Tax

## Change in Rate of Customs

Commodity	BCD		AIDC		SWS		Total Duty
	From	To	From	To	From	To	
Gold Bars	12.50%	10%	2.50%	5.00%	Nil	Nil	15%
Gold Dore	11.85%	10%	2.50%	4.35%	Nil	Nil	14.35%
Platinum	12.50%	10%	1.50%	5.40%	1.4	Nil	15.40%
Silver Bar	7.50%	10%	2.50%	5.00%	0.75	Nil	15%
Silver Dore	6.10%	10%	2.50%	4.35%	0.61	Nil	14.35%

# Disclaimer

---

*While best efforts have been made to summarize the contents of the Finance Bill, 2023 for educational purposes, this is not a legal opinion. It is suggested that Finance Bill must be referred to before making any decisions.*

*In case of any query, please feel free to get in touch with us at [info@cbcandco.com](mailto:info@cbcandco.com).*

# About Us

“ With rich experience of over 50 years in audit, taxation and advisory and a team of 80 plus members we are satisfying our clients all over India. “

## Our Locations

### Head Office

Electric Mansion, 5th Floor,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai –400 025.

022-4344 5300

[www.cb candco.com](http://www.cb candco.com)

[info@cb candco.com](mailto:info@cb candco.com)

### Nashik

### Branch

Office no-23, & 24, 2nd floor  
Kapadia commercial complex  
Gadkari Square  
Nashik –422 002.

0253-250 5585

[nashik@cb candco.com](mailto:nashik@cb candco.com)

### Ahmednagar

### Branch

Plot No. E-2/2,  
Kankariya Showroom,  
Nagar Manmad Road,  
MIDC,  
Ahmednagar- 414 111.

[sneha@cb candco.com](mailto:sneha@cb candco.com)