

CHOKSHI GROUP

KEY HIGHLIGHTS OF THE UNION BUDGET 2024



BUDGET PROPOSALS



Foreword

Budget at a Glance



Sectoral Highlights

Taxation





FOREWORD

The Budget 2024 stands as a testament to the government's unwavering commitment to the nation's growth and development. As the country navigates through an ever-evolving global economic landscape, this budget embodies a strategic vision to foster economic stability, inclusive growth, and sustainable development.

The priorities are clear: accelerating infrastructure development, boosting manufacturing, fostering innovation, and enhancing social welfare. With a focus on green growth and digital transformation, India aims to position itself as a global leader in these critical areas. This budget underscores a dedication to fiscal prudence while ensuring adequate investment in crucial sectors such as healthcare, education, and agriculture. This strategic approach is designed to pave the way for overall growth, with a keen focus on the well-being of the 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth), and 'Annadata' (Farmer).

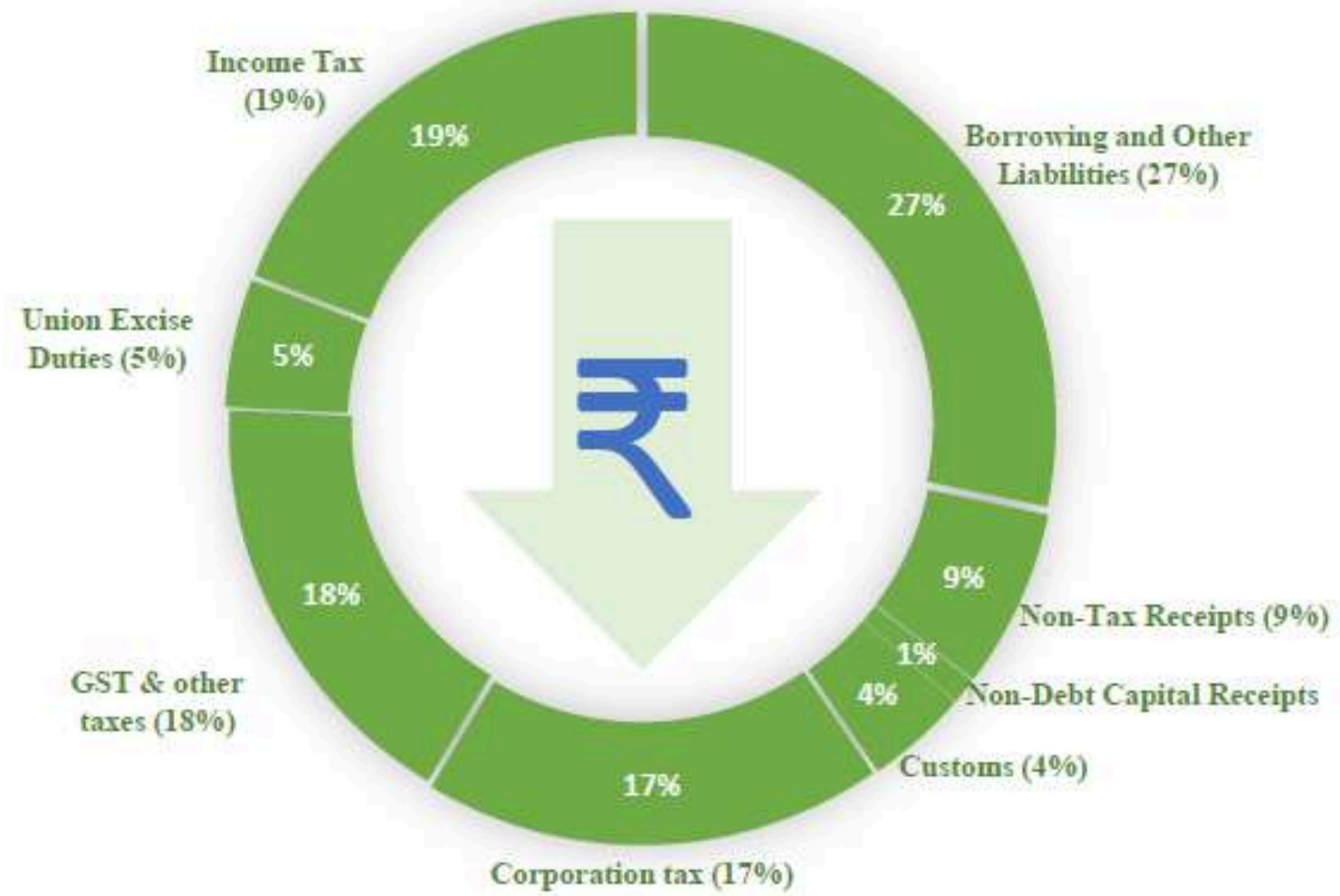
The aspirations and concerns of all stakeholders, including common citizens, businesses, and international investors, have been carefully considered. This budget is crafted to stimulate growth, create jobs, and improve the quality of life for all Indians. By fostering a conducive environment for startups and MSMEs, the foundation for a robust and dynamic economy is being laid.

As the country moves forward, the commitment to the principles of transparency, accountability, and efficiency in governance remains steadfast. The Budget 2024 is not just a financial statement; it is a blueprint for the nation's journey towards a prosperous and equitable future.

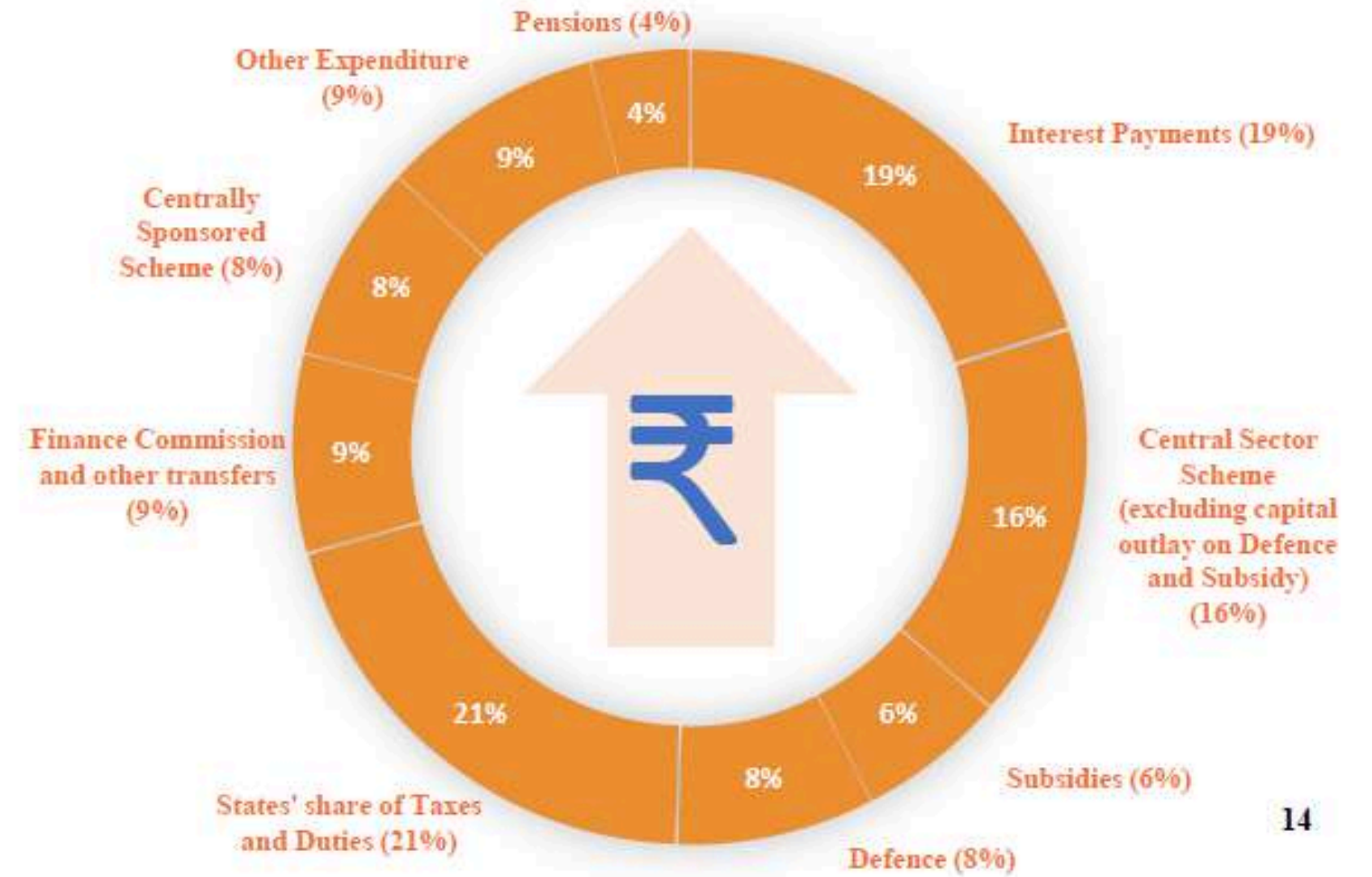
BUDGET AT A GLANCE:



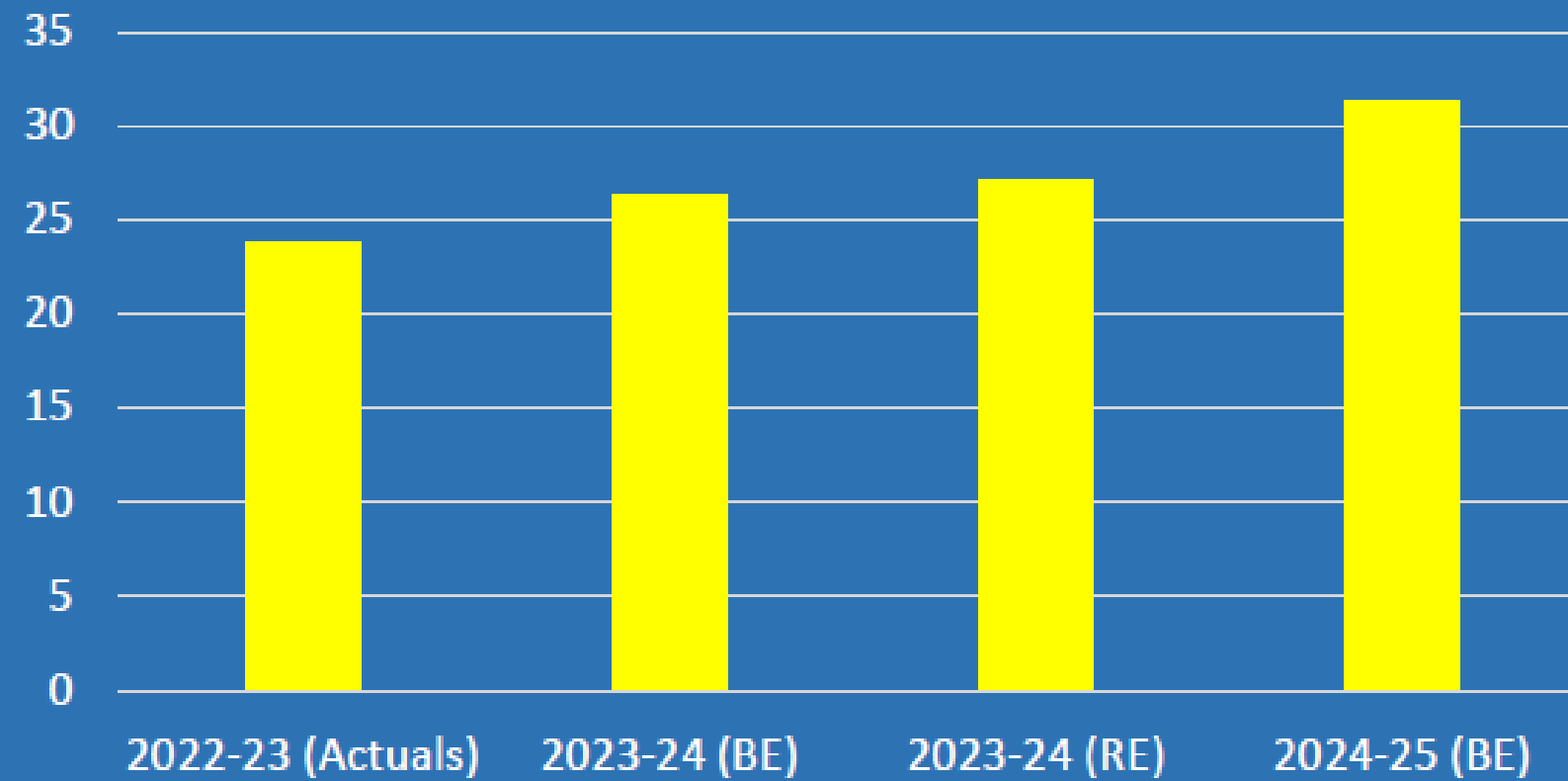
Rupee Comes From



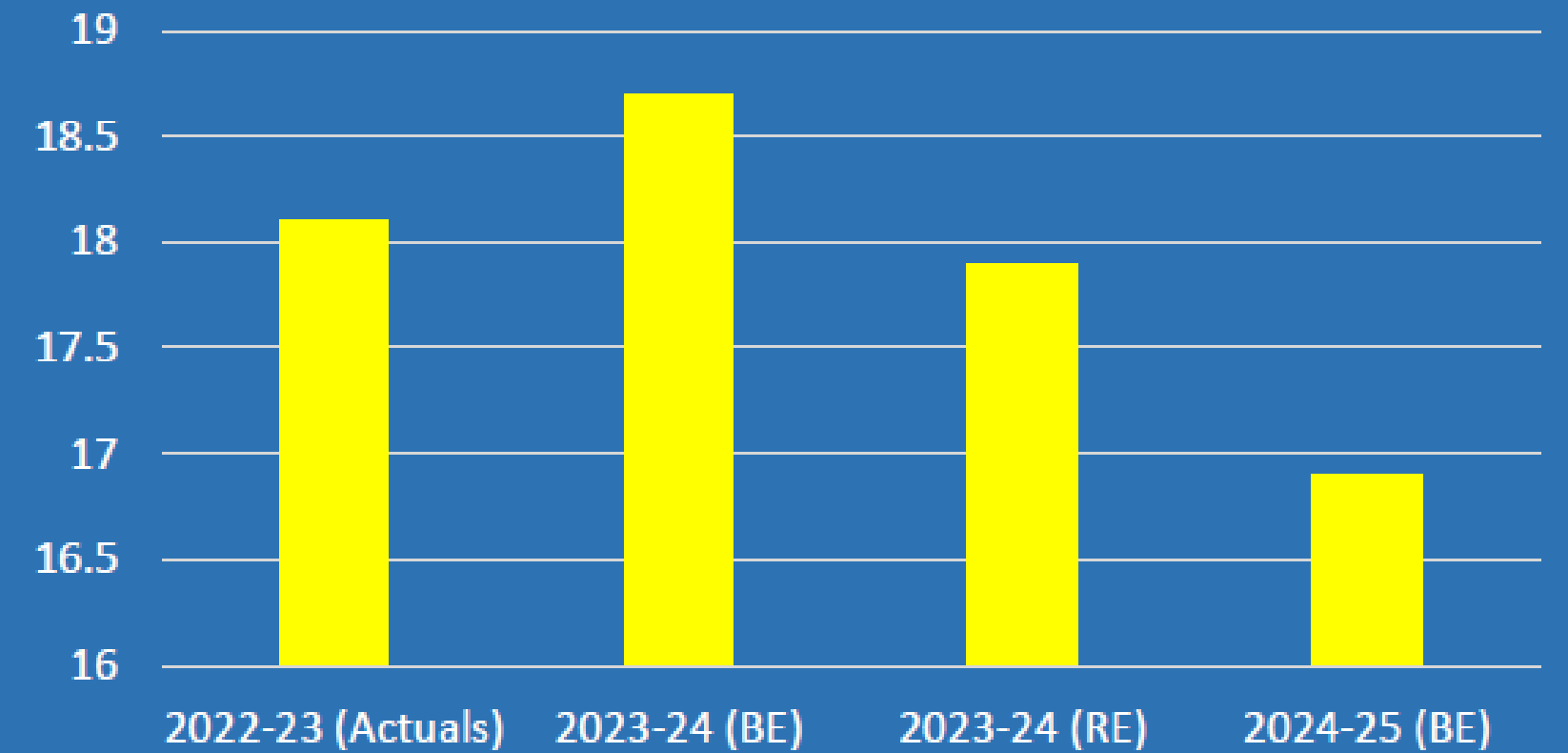
Rupee Goes To



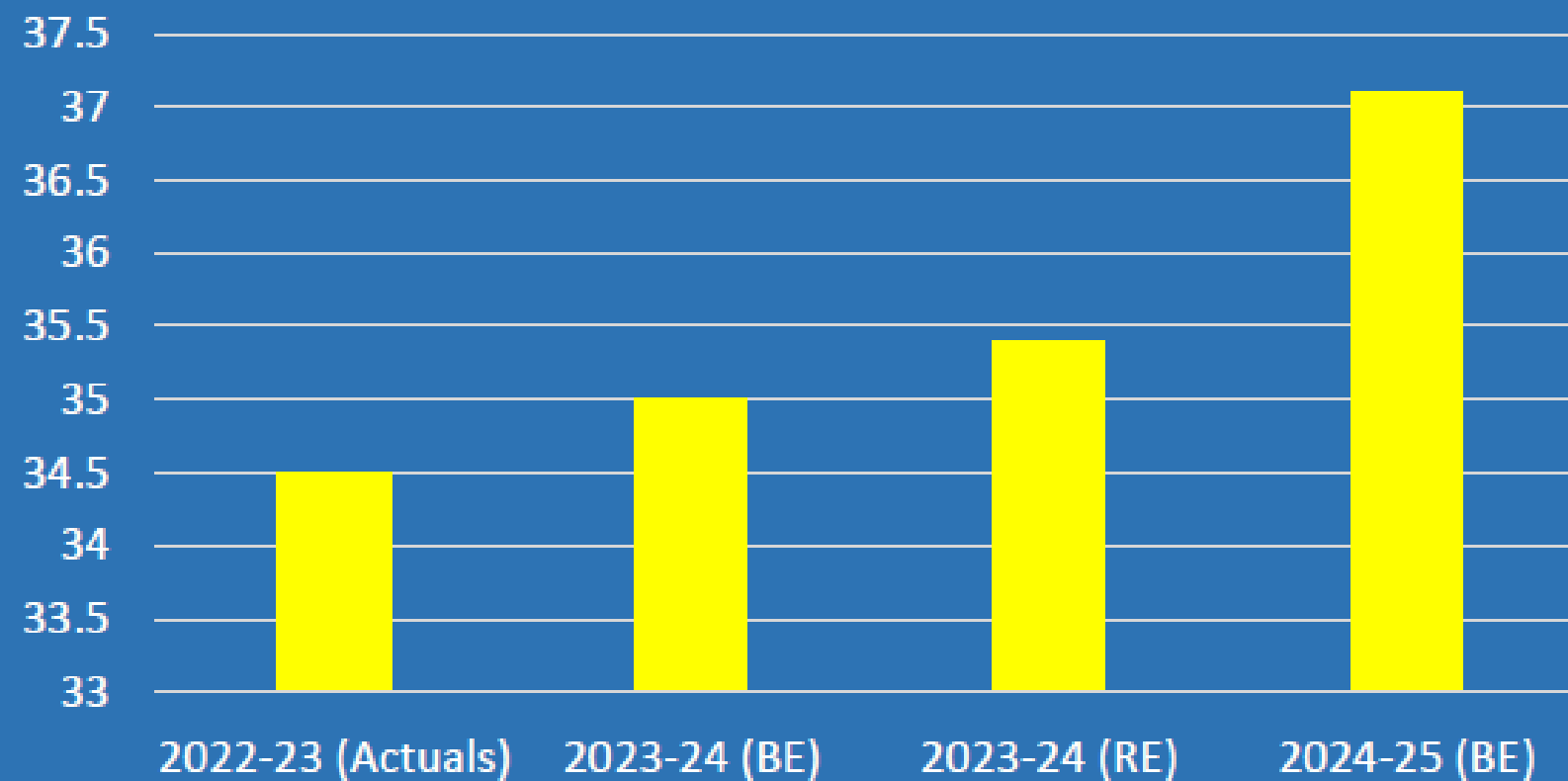
REVENUE RECEIPTS IN LAKH CRORE



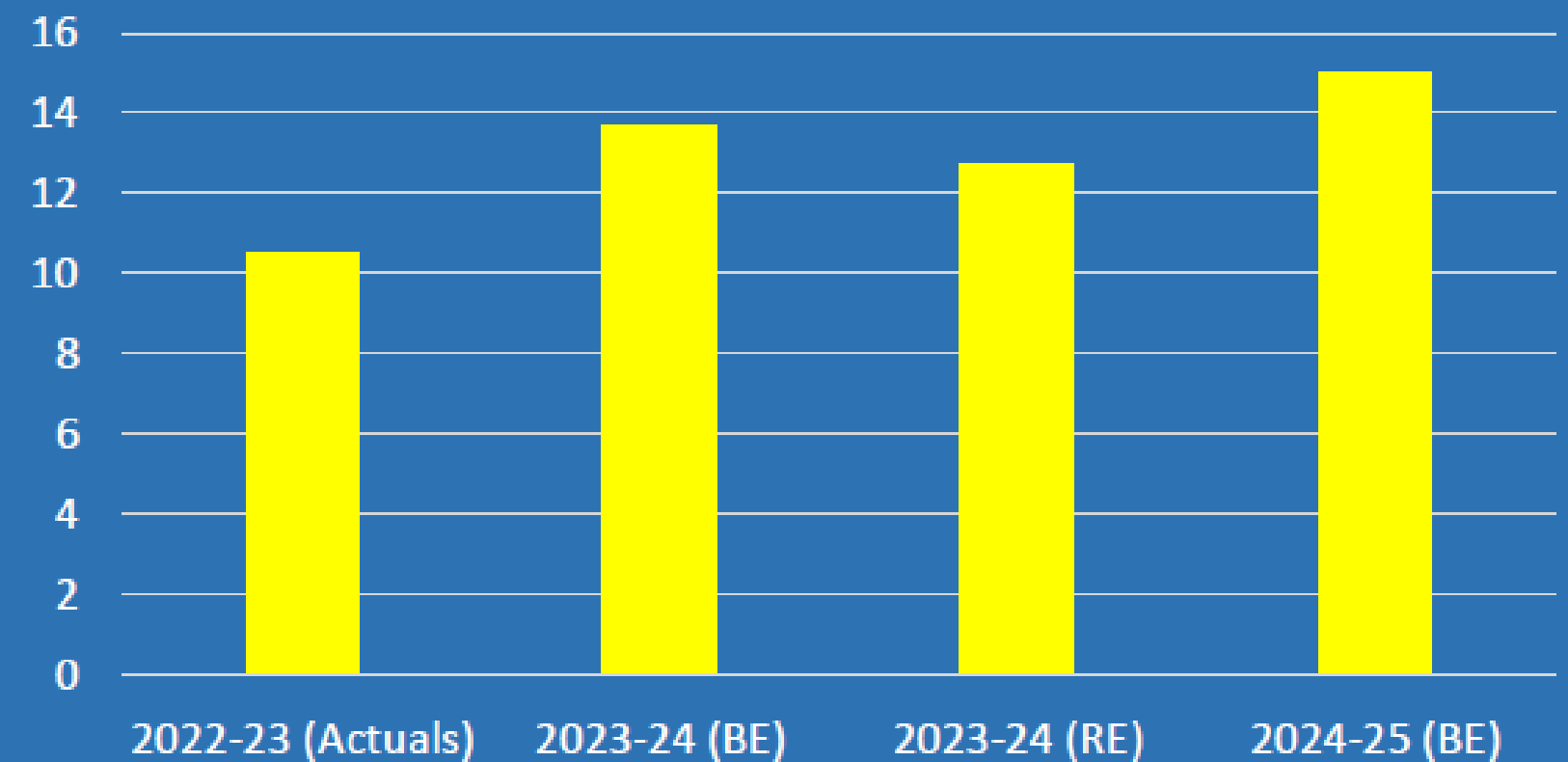
CAPITAL RECEIPTS IN LAKH CRORE



REVENUE EXPENDITURE IN LAKH CRORE



EFFECTIVE CAPITAL EXPENDITURE IN LAKH CRORE



ALLOCATION TO MAJOR SCHEME (RS. IN CR.)



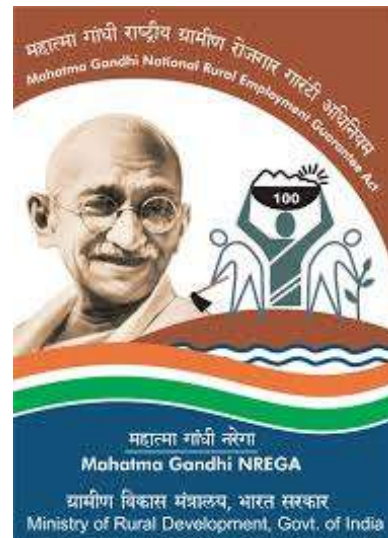
SOLAR POWER

PLI FOR PHARMA CEUTICAL INDUSTRY

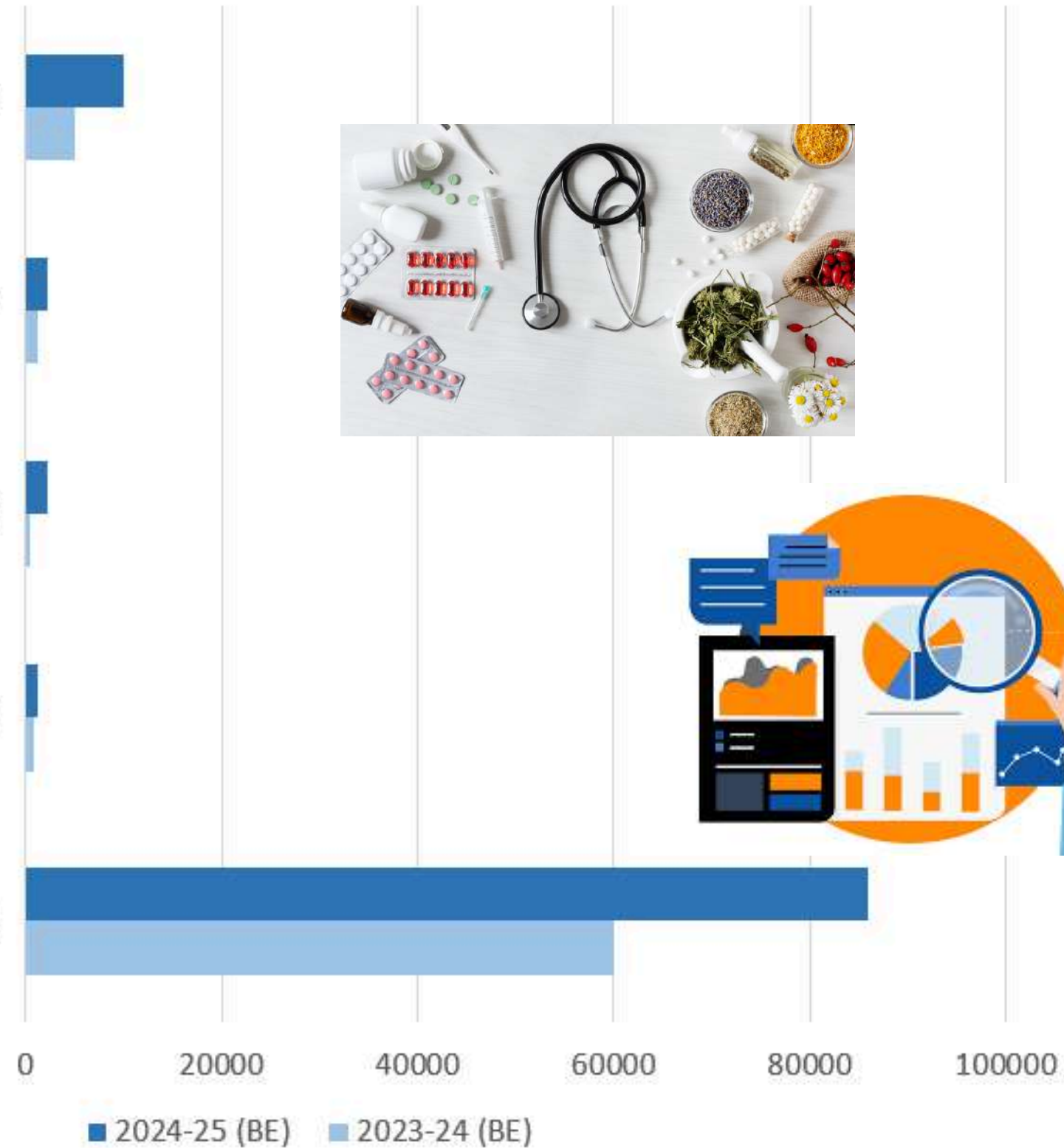


NUCLEAR POWER PROJECTS

RESEARCH AND DEVELOPMENT PROJECTS



MGNREGA





SECTORAL HIGHLIGHTS



PRODUCTIVITY AND RESILIENCE IN AGRICULTURE

Natural Farming



- 1 crore farmers across the country will be initiated into natural farming, supported by certification and branding in next 2 years
- 10,000 need-based bio-input resource centres will be established

Shrimp Production & Export



- Financing for Shrimp farming, processing and export will be facilitated through NABARD

Digital Public Infrastructure (DPI)



- DPI for coverage of farmers and their lands in 3 years
- Digital crop survey in 400 districts
- Issuance of Jan Samarth based Kisan Credit Cards



EMPLOYMENT

SCHEME A – FIRST TIMERS

- One-month wage to new entrants in all formal sectors in 3 instalments up to ₹15,000
- Expected to benefit 210 lakh youth

SCHEME B – JOB CREATION IN MANUFACTURING

- Linked to first time employees
- Incentive to both employee & employer for EPFO contributions in the specified scales for the first 4 years
- Expected to benefit 30 lakh youth

- Government will reimburse
- EPFO contributions of employers up to ₹3000 per month for 2 years for all new hires
- Expected to generate 50 lakh jobs

SCHEME C – SUPPORT TO EMPLOYERS

- Facilitate higher participation of women in the workforce through setting up of working women hostels in collaboration with industry, and establishing creches
- Loans up to ₹7.5 lakh with a guarantee from a government promoted Fund
- Expected to help 25,000 students every year
- Financial support for loans upto ₹10 lakh for higher education in domestic institutions
- Direct E-vouchers to 1 lakh students every year
- Annual interest subvention of 3%



SKILLING



20 lakh youth will be skilled over a 5-year period



1,000 Industrial Training Institutes will be upgraded to the hub and spoke arrangements with outcome orientation



Course content and designs will be aligned as per the skill requirements of the industry

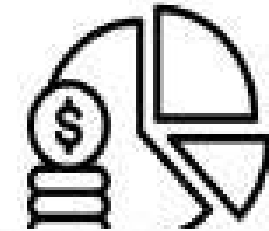
Skill India



INCLUSIVE HUMAN RESOURCE DEVELOPMENT AND SOCIAL JUSTICE

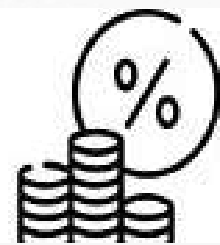
Purvodaya: Vikas bhi Virasat bhi

- Plan for endowment rich states in the Eastern parts covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh for generation of economic opportunities to attain Viksit Bharat.
- Amritsar Kolkata Industrial Corridor with development of an industrial node at Gaya.



Allocation of more than ₹3 lakh crore for schemes benefitting women and girls

More than 100 branches of India Post Payment Bank will be set up in the North East region



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Andhra Pradesh Reorganization Act:

- Financial support of ₹15,000 crores will be arranged in FY 24-25
- Completion of Polavaram Irrigation Project ensuring food security of the nation
- Essential infrastructure such as water, power, railways and road in - Koppaerthy node on the Vishakhapatnam - Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor



MANUFACTURING & SERVICES

01

Credit Guarantee Scheme for MSME's in the manufacturing sector



02

New assessment model for MSME credit

03

Enhanced scope for mandatory onboarding in TReDS

04

MSME Units for Food Irradiation, Quality & Safety Testing

05

Credit Support to MSME's during periods of stress

06

Mudra Loans: The limit is enhanced to ₹20 lakh from the current limit of ₹10 lakh under the 'Tarun' category

- Twelve industrial parks under the National Industrial Corridor Development Programme
- Rental housing with dormitory type accommodation for industrial workers in PPP mode with VGF support
- Critical Minerals Mission for domestic production, recycling and overseas acquisition
- Strengthening of the tribunal and appellate tribunals to speed up insolvency resolution and additional tribunals to be established

Internship Opportunities

- Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years
- Allowance of ₹5,000 per month along with a one-time assistance of ₹6,000 through the CSR funds

URBAN DEVELOPMENT



Stamp Duty

Encouraging states to lower stamp duties for properties purchased by women



Street Markets

Envisioning a scheme to develop 100 weekly 'haats' or street food hubs in select cities



Transit Oriented Development

Transit Oriented Development plans for 14 large cities with a population above 30 lakh



Water Management

Promote water supply, sewage treatment and solid waste management projects and services for 100 large cities

Housing Needs : PM Awas Yojana Urban 2.0

- Needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹10 lakh crore
- Enabling policies and regulations for efficient and transparent rental housing markets with enhanced availability will also be put in place

ENERGY SECURITY



1

INITIATIVES WITH PRIVATE SECTOR IN NUCLEAR ENERGY

- Setting up Bharat Small Reactors
- R&D of Bharat Small Modular Reactor and newer technologies for nuclear energy

2

ENERGY AUDIT

- Financial support for shifting of micro and small industries to cleaner forms of energy
- Facilitate investment grade energy audit in 60 clusters, next phase expands to 100 clusters.

3

PUMPED STORAGE POLICY

- For electricity storage and facilitation of smooth integration of the growing share of renewable energy.

4

AUSC THERMAL POWER PLANTS

- A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial plant.

PM SURYA GHAR MUFT BIJLI YOJNA

- 1 crore - Households obtain free electricity
- Upto 300 units every month
- 1.28 crore Registrations and 14 lakh applications so far

INFRASTRUCTURE



Provision of ₹11,111 crore for infrastructure (3.4% of GDP)



₹1.5 lakh crore to states as longterm interest free loans to support resource allocation



PMGSY will be launched to provide all weather connectivity to 25,000 rural habitations



IRRIGATION AND FLOOD MITIGATION



Financial support for projects amounting to an estimated cost of ₹11,500 crore such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes



Assistance for flood management and related projects in Assam, Sikkim & Uttarakhand



Assistance for reconstruction and rehabilitation in Himachal Pradesh



TOURISM



Development of Vishnupad Temple Corridor and Mahabodhi Temple Corridor modelled on the Kashi Vishwanath Temple Corridor



A comprehensive development initiative for Rajgir will be undertaken which holds religious significance for Hindus, Buddhists and Jains



The development of Nalanda as a tourist centre and the revival of Nalanda University to its glorious stature



Assistance with the development of Odisha's scenic beauty, temples, monuments, craftsmanship, wildlife sanctuaries, natural landscapes and pristine beaches making it an ultimate tourism destination





INNOVATION, RESEARCH & DEVELOPMENT



Operationalization of the Anusandhan National Research Fund for basic research and prototype development



Private sector-driven research and innovation on a commercial scale with a financing pool of ₹1 lakh crore



Space Economy: A venture capital fund of ₹1,000 crore is to be set up



NEXT GENERATION REFORMS

Rural & Urban land related actions

Unique Land Parcel Identification Number or Bhu-Aadhaar for all lands.

Survey of map sub-divisions as per current ownership

Linkages to the farmers' registries

Land records in urban areas will be digitized with GIS mapping

Digitization of cadastral maps

Establishment of land registry

- **Taxonomy for climate finance:** Enhancing the availability of capital for climate adaptation and mitigation related investments
- **FDI and Overseas Investments:** Simplified to facilitate FDIs and promote opportunities for using the Indian Rupee as a currency for overseas investments
- **NPS Vatsalya:** Introduction of this plan for contribution by parents and guardians for minors
- Improvement of data governance, collection, processing and management of data and statistics
- **New Pension Scheme (NPS):** A solution to address relevant issues, protect the common citizen and maintain fiscal prudence will be introduced



TAXATION



INCOME TAX, TDS RATES, OTHER DEDUCTIONS

1. The proposed amended slab rates in new regime are as under

Slab prior to Finance (No. 2) Bill, 2024		Slabs as per Finance (No. 2) Bill, 2024	
Slab	Tax Rate	Slab	Tax Rate
Up to 3,00,000- NIL			
3,00,000-6,00,000	5 percent	3,00,000-7,00,000	5 percent
6,00,001-9,00,000	15,000 + 10 percent on amount exceeding 6,00,000	7,00,001-10,00,000	20,000 + 10 percent on amount exceeding 7,00,000
9,00,001-12,00,000	45,000 + 15 percent on amount exceeding 9,00,000	10,00,001-12,00,000	50,000 + 15 percent on amount exceeding 10,00,000
12,00,001-15,00,000	90,000 + 20 percent on amount exceeding 12,00,000	12,00,001-15,00,000	80,000 + 20 percent on amount exceeding 12,00,000
Above 15,00,000	1,50,000 + 30 percent on amount exceeding 12,00,000	Above 15,00,000	1,40,000 + 30 percent on amount exceeding 12,00,000

Note: Marginal relief for income slightly above 7 lakhs still prevails



INCOME TAX, TDS RATES, OTHER DEDUCTIONS

2. The income of the Foreign Company has been proposed to be chargeable to tax at the rate of 35% in lieu of 40%.
3. 10% TDS on Partners Remuneration, Interest, Bonus and Commission (w.e.f AY 2025-26)
4. TDS Rates reduced from 5% to 2% for Insurance commission, LIC policy, Commission, rent by individuals and other sums u/s 194M.
5. TDS on E-commerce operators reduced from 1% to 0.10%.

Buyback of Shares:

1. Any amount received in the hands of the shareholders (recipient) on buy back shall be taxable in the hands of the recipient as the same will be considered as dividend. The capital loss on buyback shall be allowed as a deduction against the capital gains when the shares are subsequently sold. (The amendment is proposed to be effective from 1st October, 2024.)

CAPITAL GAINS

1. The definition of short term capital asset has been proposed to be amended as under w.e.f. 23rd July, 2024

Particulars	Holding period	Category
All Listed Securities	≤ 12 months	Short term
Unlisted Securities and non-financial Assets	≤ 24 months	Short term
Unlisted bonds and debentures, debt-oriented mutual funds and market-linked debenture	No limit	Always Short term

2. The exemption limit on transfer of shares u/s 112A of the Act has been increased from Rs. 1,00,000 to Rs. 1,25,000.
3. The tax on the long term capital gains (both financial and non-financial) shall be at the rate of 12.5 per cent.
4. The tax on Short term capital gains shall be chargeable to tax at the rate of 20 percent on the specified financial assets as against 15 percent.
5. No indexation benefit on unlisted shares and other long term assets other than listed shares



ASSESSMENT, LITIGATION AND PENALTIES

A. Reassessment:

In case the escaped income exceeds INR 50 lakhs, then no notice of reopening can be issued beyond 5 years 3 months which was earlier 10 years.

B. Appeal

i. The monetary limit for filing of appeal with the ITAT shall be where the tax effect on the same is Rs. 60 Lakhs or more.

ii. The monetary limit for filing of appeal with the High Court shall be where the tax effect on the same is Rs. 2 crore or more.

iii. The monetary limit for filing of appeal with the Supreme Court shall be where the tax effect on the same is Rs. 5 crores or more.

C. The Direct Tax Vivad Se Vishwas Scheme, 2024 introduced for settlement of disputed issues.





OTHER AMENDMENTS:

1. Interest on late payment of TCS has been increased from 1 % to 1.5%
2. The threshold limit for allowability of remuneration to partner is proposed to be amended as under; (w.e.f AY 2025-26)

(a)	on the first Rs. 6,00,000 of the book-profit or in case of a loss	Rs. 3,00,000 or at the rate of 90 per cent of the book-profit, whichever is more;
(b)	on the balance of the book-profit	at the rate of 60 per cent :

3. Assets Seized under the Income Tax Act can be may be dealt with the liability created under the provisions of the Black Money Act, 2015
4. Investment in movable assets abroad, social security schemes and Indian professionals receiving ESOPs of multinational companies to be disclosed as Foreign Assets and penalty is attracted in case value of assets is exceeding INR 20 lakhs. (w.e.f. 1st October, 2024)



5. TCS / TDS Correction statement cannot be filed after expiry of 6 years

6. New Proposed Tax Rules for Foreign Cruise Ship Operators (Amendment effective from 1st April, 2025):
New Section 44BBC: A new rule is being introduced where 20% of the total money a foreign cruise ship operator gets from carrying passengers will be considered their profit from this business. This rule will only apply if certain conditions are met.

Exemption on Lease Payments: If a company chooses to use the new 44BBC tax rule, the lease payments it makes to a foreign company will not be taxed. This is only true if both companies are subsidiaries of the same parent company. This exemption will be available until the assessment year 2030-31.

In simple terms, these changes aim to make it easier for foreign cruise ship operators to calculate their taxable profits and provide tax relief on certain lease payments between related companies.

7. Taxability of the amount received by company exceeding the Fair Market Value on issue of shares shall no longer prevail from AY 2025-26. (Abolition of Angel Tax)

8. The standard deduction for salaried individuals have been increased to Rs. 75,000 from Rs. 50,000

9. The deduction of NPS up to 14 percent from the salary of employee by the employer has been proposed to be eligible only in case income is computed as per the new tax regime.

10. The deduction allowable on the family pension income has been increased to Rs. 25,000.

CUSTOMS ACT



Custom duty on gold and silver is reduced from 15% to 6%



Customs duty on platinum is reduced to 6.4%



Import duty will be raised from 10% to 25% on some items to support existing and new capacities in chemicals and petrochemicals



Fully exempt customs duty on 25 minerals and reduce duty on two of them



Three cancers medicines will be fully exempted from customs duty





DISCLAIMER

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THANK YOU

