



The Union Budget Interim ~ 2024

Key Highlights

GGSH Advisors

Vote on Account/Interim Budget



Expect the Unexpected

A 'VOTE ON ACCOUNT' or 'INTERIM BUDGET' is presented by the government during the election year before the polls.

It is an advance grant to the government from the Consolidated Fund of India to cover short-term expenditure requirements until the new financial year begins.

Income Tax Highlights



Income Tax Slabs
No Change in slab rates



Withdrawal of OLD Income Tax demands
a) up to ₹25,000 ~ until 2009-10
b) up to ₹10,000 ~ until 2014-15



Corporate Tax
No Change in Tax rates



Tax benefits
Extension of tax benefits for starts-ups and Sovereign wealth/pension funds till 31.05.2025



Presumptive Income Scheme

- **PROFESSION** : Threshold limit had increased from Rs.50 Lacs to Rs.75 Lacs **(From FY 23-24)**
- **BUSINESS** : Threshold limit had increased from Rs.2 Crores to Rs.3 Crores **(From FY 23-24)**



Tax Exemption
Tax exemption on certain income of IFSC units extended by a year to 31.05.2025 from 31.03.2024

Indirect Tax Amendments



ISD (Input Service Distributor)*

As recommended by GST Council in its 50th meeting ~ changes made to Section 2(61) & 20 of the CGST Act making ISD mandatory prospectively ~ for distribution of ITC in respect of input services procured by Head Office (HO) from a third party but attributable to both HO and Branch Office (BO) or exclusively to one or more BOs.



Penalties for Failure to register certain manufacturing machines*

Manufacture of goods in respect of which any special procedure relating to registration of machines has been notified under section 148, be liable to pay a penalty equal to an amount of Rs 1 lakh for every machine not so registered.

Every machine not so registered shall be liable for seizure and confiscation.

*Effective date of both the proposed amendment is yet to be notified

Other Key Financial Statistics



Revised fiscal deficit: Estimated for FY23-24 has been pegged at 5.8% of GDP & for FY24-25 at 5.1%.

The target is to reduce the fiscal deficit to below 4.5% of the GDP in FY26.



FDI inflows stand at \$596 billion, twice more than 2014-15.



Inflation levels (Currently 5.69%) have been moderated due to good macroeconomic stability and robust investments.



FY25 Market Borrowing: Gross market borrowing pegged at Rs 14.13 lakh crore, with net borrowing at Rs 11.75 lakh crore.



FY25 Capex Target: Set at Rs 11.1 lakh crore, up 11.1%.~ Infrastructure Outlay: Raised to Rs 11.11 lakh crore, representing 3.4% of GDP



Revenue Estimates:

Total Receipts : Est at Rs 30.80 lakh crore for FY25.



Expenditure Estimate:

Total Expenditure: Est at Rs 47.66 lakh crore for FY25.



Tax Estimate & Benefits:

Tax receipts estimated at Rs 26.02 lakh crore in FY25.

Tax benefits for startups and funds extended to March 2025.

Industry Specifics

RAIL AND AVIATION EXPANSION

- Metro Rail and Namo Bharat: Expanded to more cities.
- Vande Bharat Coaches: Conversion of 40,000 rail bogies.

ELECTRIC VEHICLE SUPPORT

- EV Ecosystem Strengthening by manufacturing & changing infrastructure.
- Bio Manufacturing Scheme to promote green growth.

Industry Specifics

INNOVATION AND DEFENCE

- Rs 1 lakh crore for deep tech, particularly in the defence sector.
- Encouraging private players for R&D in defence.

TECH & YOUTH DEVELOPMENT

- Interest-Free Loans for Innovation: Rs 1 lakh crore corpus with 50-year interest-free loans for tech-savvy youth.

Industry Specifics

GREEN PUSH IN MOBILITY & ENERGY

- Coal Gasification and Liquefaction: 100 million tonnes by 2030.
- Greater adoption of e-buses; blending of CNG & biogas mandated.

TOURISM DEVELOPMENT

- Tourism initiatives in islands, including Lakshadweep.
- Encouraging states to develop iconic tourist spots.

Industry Specifics

AQUA CULTURE

- Enhance aquaculture productivity from existing 3 to 5 tons per hectare.
- Double exports to Rs 1 lakh crore and generate 55 lakh employment opportunities in near future.
- 5 Integrated Aquaparks to be set up.

AGRICULTURE

- Will Promote private and public investment in post-harvest activities including aggregation, modern storage, supply chains, primary and secondary processing, marketing, and branding.
- Nano DAP application on various crops will be expanded in all agroclimatic zones.

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