

INTERIM BUDGET 2024



Union Budget (Interim) 2024

This Budget is towards making India a “Viksit Bharat” by 2047. Government is working towards development, which is all-round, all-inclusive and all-pervasive. (सर्वगीण, सर्वस्पर्शी और सर्वसमावेशी)

The Hon'ble Finance Minister Smt. Nirmala Sitharaman Ji in her 6th consecutive address on the Union Budget 2024 has somewhat paralleled shri morarji desai so as to be on the same page.

On a strategic note, it is appreciable to note that the previously set dimension in context of FDI and GDP have been revamped on a likewise basis to create an eco- system capable of serving the biggest capex base of about 11.1 lakh crore in the year 2025. From the existing concept of Foreign Direct Investment (FDI) to the admired First Developed India (FDI)', from Gross Domestic Product (GDP) to the in-demand Growth, Development and Performance' parameters, the vision of munificent India can be professed to a greater extent. The Government also intends to expand out its exhaustive roadmap soon for a 'Viksit Bharat' apart from strengthening the dice of social justice to be a necessitated government model.

Guided by the principle 'Reform, Perform, and Transform', the government will take up next generation reforms, and build consensus with the states and stakeholders for effective implementation.

Why Interim Budget?

The Interim Budget functions as a provisional financial plan during an election year, addressing immediate financial needs until a new government is in place. the comprehensive Union Budget will be unveiled post-elections scheduled for april/may 2024. typically, the Interim Budget refrains from making significant and far-reaching policy declarations.

Team : Shah & Shah | Chartered Accountants

Shah & Shah

CHARTERED ACCOUNTANTS



Garib (Poor)

- Assisted 25 crore people to get freedom from multi-dimensional poverty.
- Direct benefit transfer of ₹ 34 lakh crore from the government account.
- PM-SVANIDHI has provided credit assistance to 78 lakh street vendors.
- The schemes for empowerment of divyangs and transgender persons reflects intention that no one leaves behind.

Mahilayen (Women)

- 30 crore Mudra Yojana loans have been given to women entrepreneurs.
- Making 'Triple Talaq' illegal.
- Reservation of 1/3rd seats for women in the Lok Sabha and State legislative assemblies.
- Giving over 70% houses under PM Awas Yojana.



Yuva (Youth)

- Skill India Mission trained 1.4 crore youth, upskilled and reskilled 54 lakh youth, and established 3000 new ITIs.
- 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS and 390 universities have been set up.
- PM Mudra Yojana sanctioned 43 crore loans amounting to ₹ 22.5 lakh crore for entrepreneurial aspirations.
- Fund of Funds, Start Up India, and Start Up Credit Guarantee schemes are assisting youth.

Annadata (Farmer)

- Under PM-KISAN SAMMAN Yojana, direct financial assistance is provided to 11.8 crore farmers.
- Crop insurance is given to 4 crore farmers under PM Fasal Bima Yojana.
- Electronic National Agriculture Market has integrated 1361 mandis, and is providing services to 1.8 crore farmers with trading volume of 3 lakh crore.



Union Budget 2024 (Interim) : 7 Key Faces In 'Team Budget'

Nirmala Sitharaman

Nirmala Sitharaman (born August 18, 1959) is an Indian economist, politician and a senior leader of the Bharatiya Janata Party (BJP) becoming India's second female defence minister and the second female finance minister after Indira Gandhi, and the first full-time female minister to hold each of those portfolios. She presented for the record 6th consecutive union Budget and matched it with Shri Morarji Desai.



TV Somanathan

(Currently Serving as IAS, Finance Secretary & Expenditure Secretary of India)

Ajay Seth

(Currently Serving as IAS, Economic Affairs Secretary of India)



Tuhin Kanta Panday

(Currently Serving as IAS, Secretary (Investment and Public Asset Management) of India)

Sanjay Malhotra

(Currently Serving as IAS, Secretary (Revenue Secretary) of India)



Vivek Joshi

(Currently Serving as IAS, Secretary (Financial Services) of India)

V Anantha Nageswaran

(Currently Serving as Chief Economic Advisor of India)



BUDGET AT A GLANCE

(In crore)

Particulars	2022-2023 Actuals	2023-2024 Budget Estimates	2023-2024 Revised Estimates	2024-2025 Budget Estimates
1. Revenue Receipts (2+3)	2383206	2632281	2699713	3001275
2. Tax Revenue (Net to Centre) ¹	2097786	2330631	2323918	2601574
3. Non Tax Revenue	285421	301650	375795	399701
4. Capital Receipts (5+6+7)	1809951	1870816	1790773	1764494
5. Recovery of Loans	26161	23000	26000	29000
6. Other Receipts	46035	61000	30000	50000
7. Borrowings and Other Liabilities ²	1737755	1786816	1734773	1685494
8. Total Receipts (1+4)	4193157	4503097	4490486	4765768
9. Total Expenditure (10+13)	4193157	4503097	4490486	4765768
10. On Revenue Account of which	3453132	3502136	3540239	3654657
11. Interest Payments	928517	1079971	1055427	1190440
12. Grants in Aid for creation of Capital Account	306264	369988	321190	385582
13. On Capital Account	740025	1000961	950246	1111111
14. Effective Capital Expenditure (12+13)	1046289	1370949	1271436	1496693
15. Revenue Deficit (10-1)	1069926	869855	840527	653383
16. Effective Revenue Deficit (15-12)	(3.9)	(2.9)	(2.8)	(2.0)
	763662	499867	519337	267801
17. Fiscal Deficit [9-(1+5+6)]	(2.8)	(1.7)	(1.8)	(0.8)
	1737755	1786816	1734773	1685494
18. Primary Deficit (17-11)	(6.4)	(5.9)	(5.8)	(5.1)
	809238	706845	679346	495054
	(3.0)	(2.3)	(2.3)	(1.5)

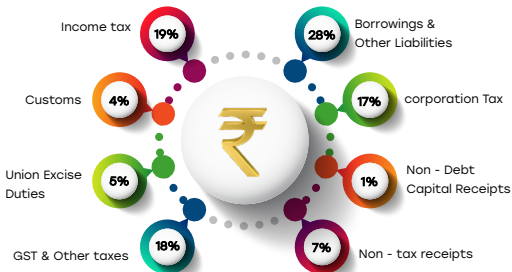
1. RE 2023-24 Is Reduced By ₹ 7151 Crore On Account Of Net Amount Payable By Centre To The States For Prior Years.

2. Includes Drawdown Of Cash Balance

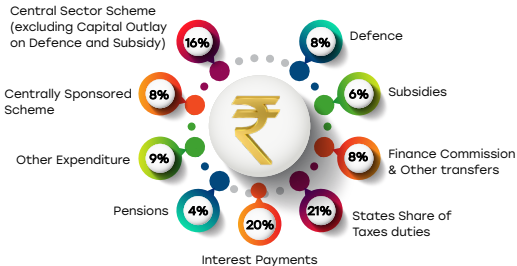
NOTES:

- Nominal GDP for BE 2024-25 has been projected at ₹ 3,27,71,808 crore assuming 10.5 % growth over the estimated Nominal GDP of 2,96,57,745 crore as per the First Advance Estimates of FY 2023-24.
- Individual items in this document may not sum up to the totals due to rounding off.
- Figures in parentheses are as a percentage of GDP.

RUPEES COMES FROM



RUPEES GOES TO



NOTES:

1. Total receipts & expenditure are inclusive of states' share of taxes and duties which have been netted in the table given earlier.
2. Figures have been rounded off.

Appreciation

- The Finance Minister appreciates and thanks all the tax payers for filing tax returns and assures that their contributions have been used wisely for the development of the country and welfare of its people.
- The Finance Minister also highlighted that now Average processing time for returns reduced from 93 days (2013-2014) to 10 days (2023-24) which results into quick issuance of refund.

Key proposals:

- No changes in Direct Tax Rates.
- Withdrawal of outstanding tax demands (Beneficial for 1Cr.Taxpayers approx.)
The government is planning to withdraw outstanding direct tax demands:
 1. Upto Rs.25,000/- pertaining to the period up to financial year 2009-10
 2. and Upto Rs.10,000/- for financial years 2010-11 to 2014-15This will reduce the anxiety of the taxpayers and will generate a quick issuance of refund for subsequent years.
- Certain tax benefits to start-ups and investments made by sovereign wealth or pension funds as also tax exemption on certain income of some IFSC units are expiring on 31.03.2024. To provide continuity in taxation, the finance minister has proposed to extend the date to 31.03.2025.

INDIRECT TAX

A. Positive sentiment about GST :

- 94% industry leaders view transition to GST as largely positive.
- 80% of respondents feel gst has led to supply-chain optimisation (as per a survey conducted by a leading consulting firm).

B. Average monthly Gross GST collections doubled to ₹1.66 lakh crore in F.Y. 23-24.

C. Increase in tax buoyancy (a measure of how responsive the growth of tax revenue is to the changes in GDP) of state revenue from 0.72 (2012-16) to 1.22 in the Post-GST period (2017-23).

D. Decline in import release time since 2019 by:

- 47 per cent at inland container depots.
- 28 per cent at air cargo complexes.
- 27 per cent at sea ports.

E. The Government proposed to maintain the same tax rates for Direct and Indirect taxes, including import duties.





1 Substitution in Definition of " Input Service Distributors (Section 2(61) of CGST ACT 2017)

"Input Service Distributor" Means An Office Of The Supplier Of Goods Or Services Or Both Which Receives Tax Invoices Towards The Receipt Of Input Services, Including Invoices In Respect Of Services Liable To Tax Under Sub-section (3) Or Sub-section (4) Of Section 9 (Tax Payable On Reverse Charge Basis), For Or On Behalf Of Distinct Persons Referred To In Section 25, And Liable To Distribute The Input Tax Credit In Respect Of Such Invoices In The Manner Provided In Section 20.

2 Substitution in prescribing manner of distribution of credit by Input Service Distributor (Section 20 of CGST ACT 2017)

Any Office Of The Supplier Of Goods Or Services Or Both Which Receives Tax Invoices Towards The Receipt Of Input Services, Including Invoices In Respect Of Services Liable To Tax Under Sub-section (3) Or Sub-section (4) Of Section 9 (Tax Payable On Reverse Charge Basis), For Or On Behalf Of Distinct Persons Referred To In Section 25, Shall Be Required To Be Registered As Input Service Distributor Under Clause (Viii) Of Section 24 And Shall Distribute The Input Tax Credit In Respect Of Such Invoices. (The Input Service Provider Can Now Distribute Credit Related To Tax Paid Under Reverse Charge Basis Along With The Normal Credit.)

3 Insertion of New Section 122A-Penalty for failure to Register certain machines used in manufacture of goods as per special procedure:

Notwithstanding Anything Contained In This Act, Where Any Person, Who Is Engaged In The Manufacture Of Goods In Respect Of Which Any Special Procedure Relating To Registration Of Machines Has Been Notified Under Section 148 (I.E. Manufacturer Of Tobacco & Related Products), Acts In Contravention Of The Said Special Procedure, He Shall, In Addition To Any Penalty That Is Paid Or Is Payable By Him Under Chapter Xv Or Any Other Provisions Of This Chapter, Be Liable To Pay A Penalty Equal To An Amount Of One Lakh Rupees For Every Machine Not So Registered.

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