

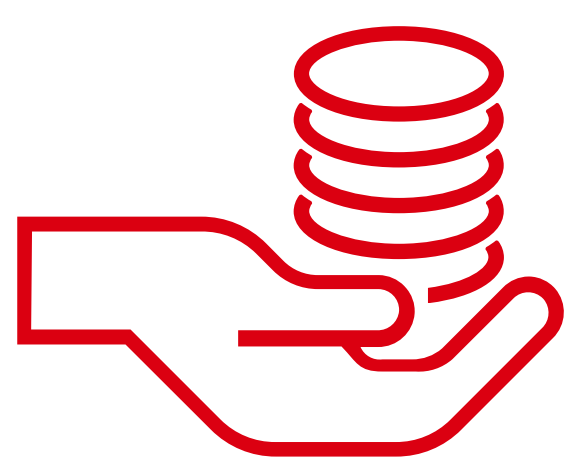
# Union Budget 2023-24

## What's in store for you?



Finance Minister Nirmala Sitharaman presents the last full Budget of the government before General Elections 2024. Finance Minister lists seven priorities of Budget, including infra, green growth, financial sector, youth power. Four transformative opportunities can be used in Amrit Kaal for enhancing economic empowerment.

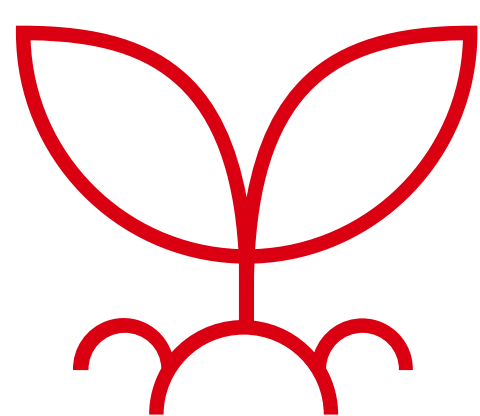
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## Economy

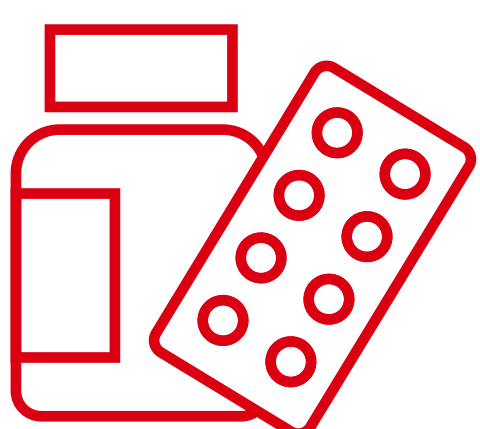
- ▶ In 75th year of Independence, world has recognised India as a bright star
  - ▶ Indian economy has increased in size from being 10th to 5th largest in last nine years
- Per capita income has increased to Rs. 1.97 lakh
- ▶ India's growth at 7% in current fiscal highest among major economies
  - ▶ Economy has become more formalised as shown by the EPFO data, with 270 million members
  - ▶ G-20 presidency gives India opportunity to strengthen role in global order
  - ▶ Govt to launch a Rs 2,200 crore Aatmanirbhar clean plan programme
  - ▶ Govt to set up Gowardhan Scheme for promoting circular economy with total investment of Rs. 10,000 crore
  - ▶ States to be allowed 3.5% of GDP as fiscal deficit
  - ▶ 50-year interest-free loans to state govts has to be spent on capital expenditure within 2023-24
  - ▶ FM Sitharaman retains fiscal deficit target of 6.4% in the Revised Estimate for FY23; cuts it to 5.9% for FY24.
  - ▶ To finance fiscal deficit in 2023-24, net market borrowing from dated securities estimated at Rs. 11.8 lakh crore





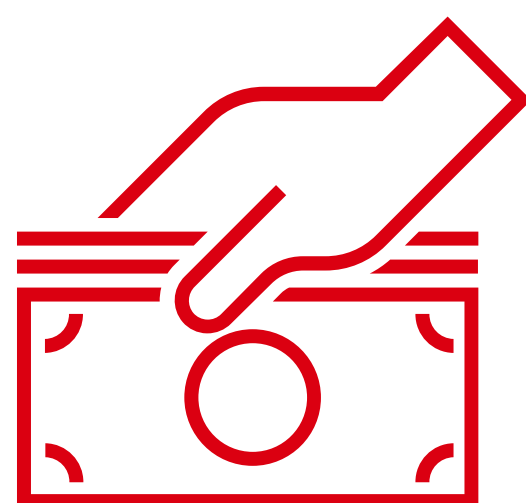
## Agriculture

- ▶ Cash transfer of Rs. 2.2 trn under PM-KISAN
- ▶ Agriculture credit target increased to Rs. 20 trn for FY'24, with focus on animal husbandry, dairy and fisheries
- ▶ Digital public infrastructure for agriculture will be built as open source, open standard and interoperable public good
- ▶ To enhance yield of extra-long staple cotton, government will adopt a cluster-based and value chain approach
- ▶ PM-PRANAM will be launched to incentivise states to promote alternative fertilisers; PM-PRANAM will be launched to incentivise states to promote alternative fertilisers
- ▶ Govt to take up mangrove plantation along the coastline under the new MISHTI scheme
- ▶ Govt to promote conservation values through a scheme to encourage optimal use of wetlands



## Pharma

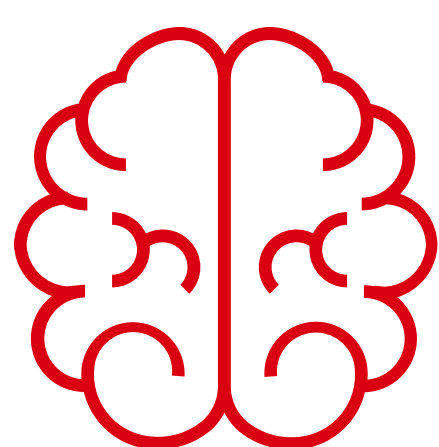
- ▶ Govt to launch new programme to promote pharmaceuticals research
- ▶ Facilities in select ICMR labs will be made available for research by public and private medical faculties



# Tax Exemption & Investments

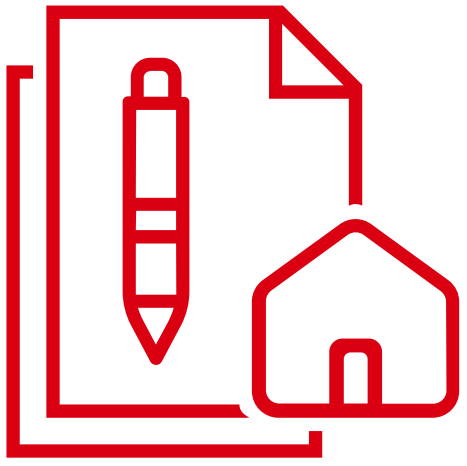
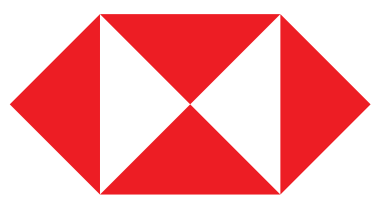
- ▶ Govt proposes to increase income tax rebate limit from Rs. 5 lakh to Rs. 7 lakh in new tax regime
- ▶ No tax for income up to Rs. 3 lakh; 5 per cent tax on Rs. 3-6 lakh; highest tax rate of 30 per cent on income above Rs. 15 lakh under new I-T regime
- ▶ An individual with income of Rs. 15 lakh will have to pay Rs. 1.5 lakh tax down from Rs. 1.87 lakh under new tax structure
- ▶ An individual with annual income of Rs. 9 lakh will have to pay only Rs. 45,000
- ▶ Reduces highest surcharge rate to 25% from 37% in new regime
- ▶ Tax exemption up to Rs. 7 lakh per year under new tax regime from Rs. 5 lakh per year
- ▶ New cooperatives that commence manufacturing activity till March 2024 to attract lower tax rate of 15%
- ▶ Tax portal processed 6.5 crore returns, processing time cut; intend to strengthen grievance redressal mechanism
- ▶ Govt to enhance grievance redressal mechanism for direct tax payers
- ▶ Govt proposes to reduce customs duty on import of certain inputs for mobile phone manufacturing

- ▶ Govt to continue with concessional basic customs duty of 2.5% on copper scrap
- ▶ Customs duty on kitchen electric chimney increased to 15% from 7.5%
- ▶ Customs duty on parts of open cells of TV panels cut to 2.5%
- ▶ Govt to reduce customs duty on shrimp feed to promote exports
- ▶ Basic customs duty hiked on articles made from gold bars
- ▶ Basic import duty on compounded rubber increased to 25% from 10%
- ▶ Taxes on cigarettes hiked by 16%
- ▶ Govt to reduce basic customs duty on seeds used in manufacturing of lab-grown diamonds
- ▶ FM also announced to extend the custom duty exemption on lithium-ion batteries for a year
- ▶ Senior citizens savings scheme cap increased from Rs. 15 lakh to Rs. 30 lakh
- ▶ Monthly Income Scheme limit doubled to Rs. 9 lakh and Rs. 15 lakh for joint accounts



## Digital & AI

Three centres of excellence for artificial intelligence will be set up in top educational institutions



## Housing

- ▶ PM Awas Yojana outlay hiked by 66 per cent to Rs. 79,000 crore
- ▶ Govt proposes to cap deductions from capital gains on investments in residential houses to Rs. 10 crore



## Jobs

- ▶ Pradhan Mantri Kaushal Vikas Yojna 4.0 will be launched to skill lakhs of youth; 30 Skill India international centres to be set up



## MSMEs & Startup

- ▶ Govt proposes to increase limit for presumptive taxation for MSMEs and certain professionals to Rs. 3 crore and Rs 75 lakh, respectively
- ▶ If MSMEs fail to execute contract, 95 per cent of performance security will be returned to small business as part of Vivad Se Vishwas
- ▶ India now 3<sup>rd</sup> largest ecosystem for startups; firms incorporated till March 2024 to get I-T benefits



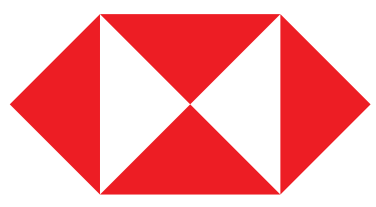
- ▶ Govt proposes to increase benefit of carry forward of losses for startups to 10 years
- ▶ Govt to bring another dispute resolution scheme under Vivad Se Vishwas-2 to settle commercial disputes
- ▶ The revamped Credit Guarantee Scheme for MSME sector will take effect from April 1, 2023 with an infusion of Rs. 9,000 crore



## Socia-economic

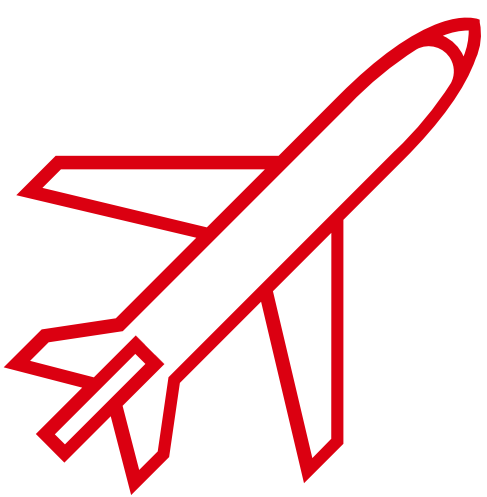
- ▶ During pandemic we ensured no one would go hungry through a scheme that provided food for 800 million Indians for over 28 months
- ▶ Govt implementing scheme to supply free grains to poor under PMGKAY with expenditure of Rs. 2 lakh crore from Jan 1, 2023
- ▶ To improve social-economic condition of the Particularly Tribal Groups, PMPBTG Development mission will be launched, to saturate PBTG habitations with basic facilities. Rs. 15,000 crore to be made available to implement scheme in next 3 years
- ▶ Pradhan Mantri Primitive Vulnerable Development Commission being launched; Rs. 15,000 crore earmarked for next 3 years
- ▶ PM Primitive Vulnerable Tribal Group scheme to benefit 3.5 lakh tribals





## Finance, Inclusion & Banking

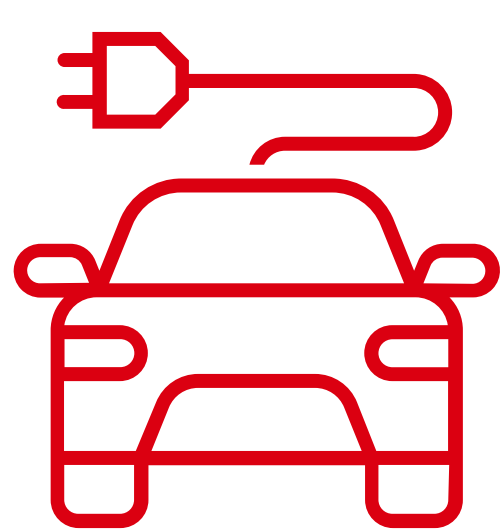
- ▶ Capital investment outlay is being increased steeply for third year in a row to Rs. 10 lakh crore
- ▶ Centre to continue 50-year interest-free loans to state governments for one more year
- ▶ Capital investment outlay is being increased steeply for third year in a row to Rs. 10 trn



## Infra & Urban Planning

- ▶ Enhanced Capex of Rs. 10 trn for infra development is 3.3% of the GDP
- ▶ Govt to create Urban Infrastructure Development Fund on lines of Rural Infrastructure Development Fund; to be managed by NHB
- ▶ Newly-established infrastructure finance secretariat will assist all stakeholders in more private investment
- ▶ Expert committee to be set up to make infrastructure classification and financing framework suitable for Amrit Kaal
- ▶ 100 critical transport infrastructure projects have been identified for implementation

- ▶ All cities and towns will be enabled for 100% transition of sewers and septic tanks from manhole to machine hole mode
- ▶ Cities will be encouraged to increase creditworthiness for municipal bonds



## Electric Vehicles

- ▶ Indirect tax proposals to boost green mobility and EVs. Customs duty exemption extended to import of capital goods and machinery required for the manufacture of lithium-ion cells for batteries used in electric vehicles



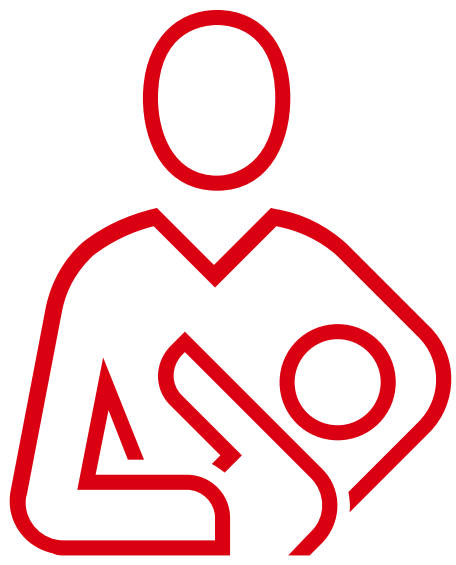
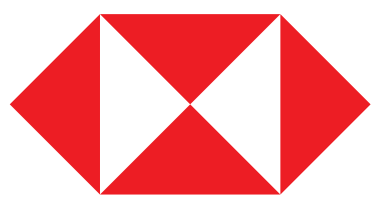
## Education

- ▶ A National Digital Library for children and adolescents will be set up for facilitating the availability of quality books across geographies, languages, genres and levels and device-agnostic accessibility



## Telecom

- ▶ Govt to set up 100 labs for developing applications for 5G services



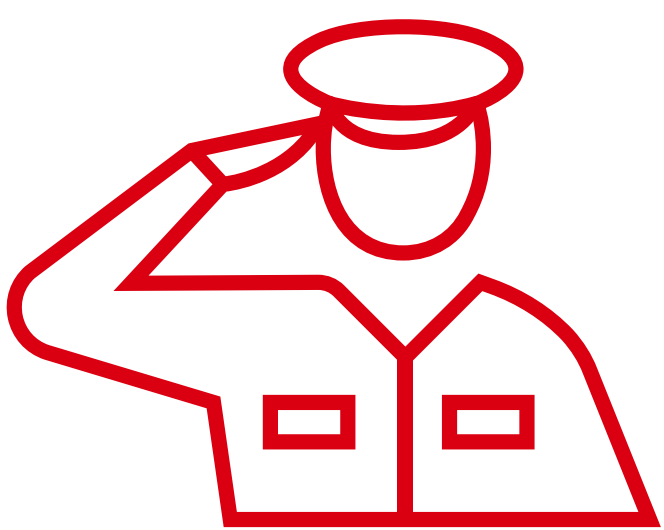
## Women & Children

- ▶ National Rural Livelihood Mission has achieved remarkable success by mobilising rural women into 1 lakh Self Help Groups (SHG)



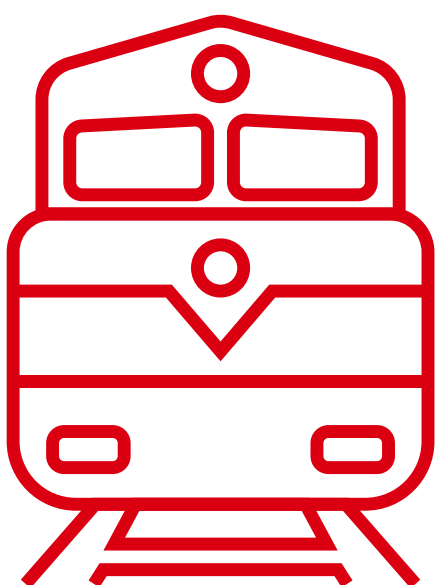
## Ease of Business

- ▶ For enhancing ease of doing business, more than 39,000 compliances have been reduced, over 3,400 legal provisions decriminalised



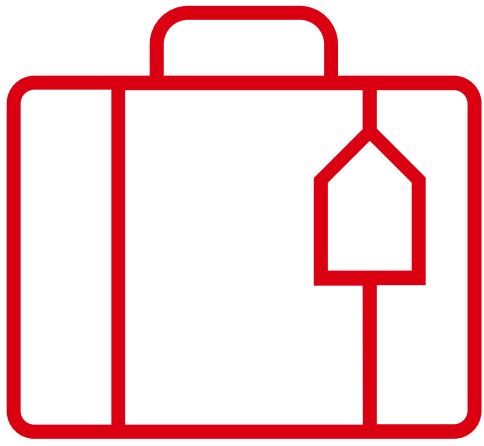
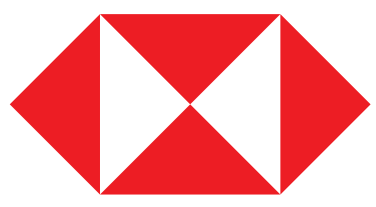
## Defence

- ▶ Defence Ministry has been allocated Rs. 5.94 lakh crore for the financial year 2023-24



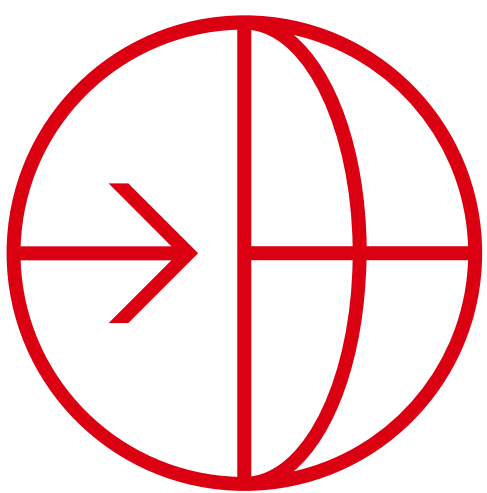
## Railways

- ▶ Capital outlay of Rs. 2.40 trn for railways fixed for 2023-24



## Travel & Tourism

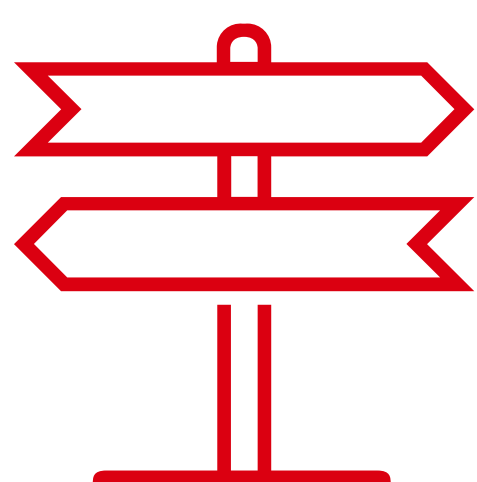
- ▶ Large potential to be tapped in tourism. Promotion of tourism will be taken up on mission mode
- ▶ Govt to select 50 destinations through 'challenge mode' to promote tourism
- ▶ 50 additional airports, helipads, water aero drones, and advanced landing grounds will be revived to improve regional air connectivity



## Climate & Net Zero

- ▶ Govt targeting 5 MT of Green Hydrogen production by 2030
- ▶ Budget provides for Rs. 35,000 crore for priority capital investment towards energy transition and net zero objective
- ▶ Green credit programme will be notified to incentivise environmentally sustainable and responsible actions by companies



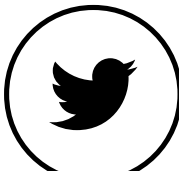

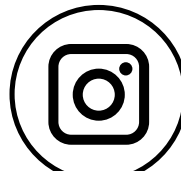




## Others

- ▶ Mobile phone output rose from 5.8 crore units in 2014-15 to 31 crore units last fiscal
- ▶ Govt to bring National Data Governance policy
- ▶ National Data Governance Policy will enable anonymised data; KYC process will be simplified by adopting risk-based system
- ▶ PAN will be used as common identifier for all digital systems of specified government agencies
- ▶ One stop solution for reconciliation and updating of identity of individuals be established
- ▶ Govt to provide R&D grant to one of the IITs to encourage indigenous production of lab-grown diamonds in a bid to reduce imports

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