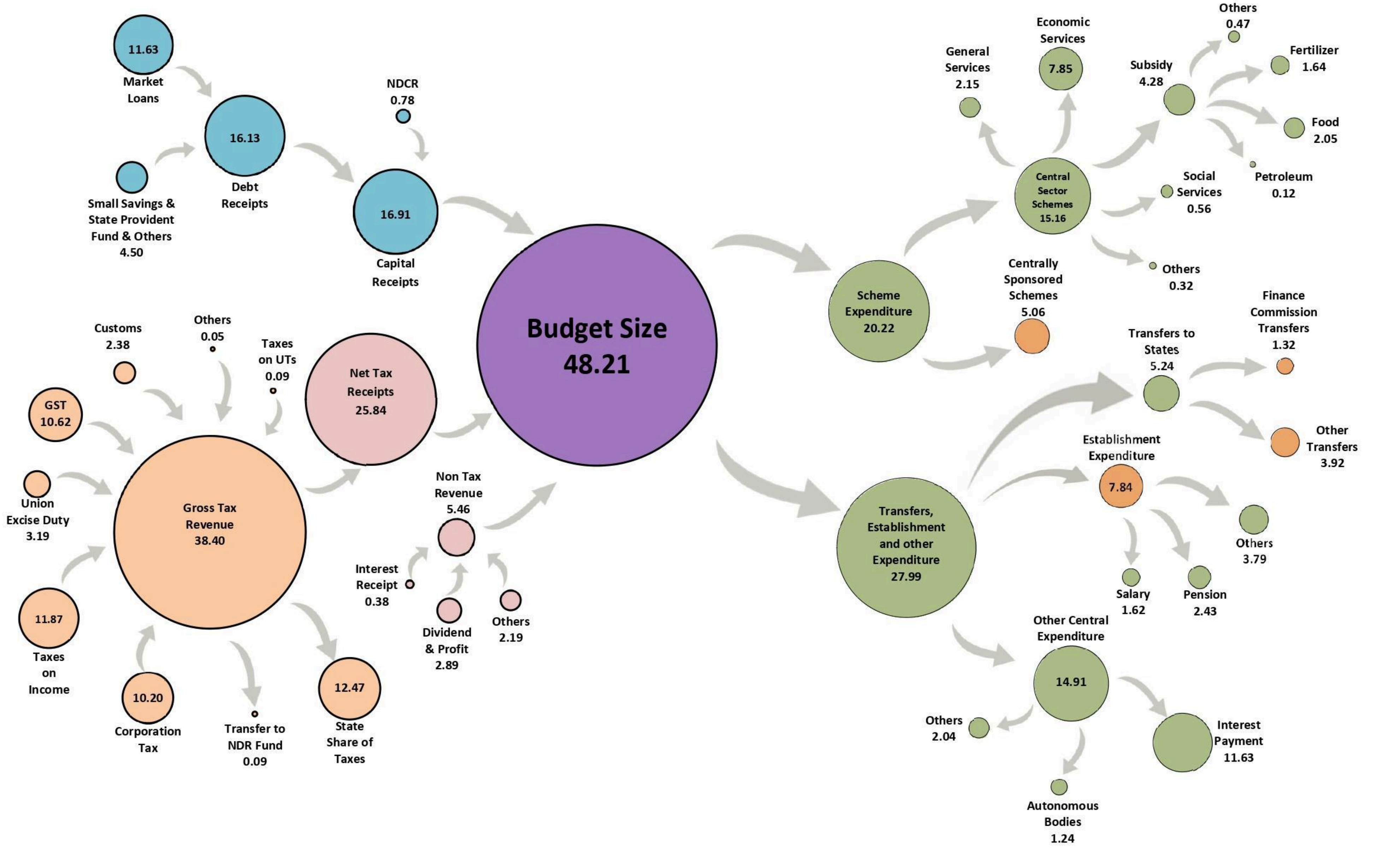
By Collegedunia

BUDGET 2024-25

KEY HIGHLIGHTS & NOTES

बजट की रूपरेखा
BUDGET PROFILE

(लाख करोड़ में)
(In lakh crore)



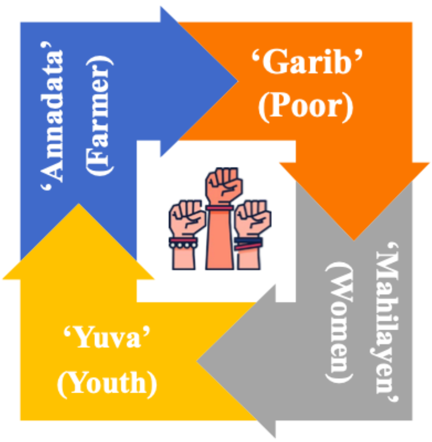
Budget 2024-25 – Key Highlights

Global Context

- **Global Economy**:
  - Performing better than expected.
  - Facing policy uncertainties, elevated asset prices, political uncertainties, and shipping disruptions.
  - These factors pose significant downside risks to growth and upside risks to inflation.
- **India's Economic Growth**:
  - India remains a notable exception with continued economic growth.
  - Inflation in India is low and stable, aiming for a 4% target.
  - Core inflation (non-food, non-fuel) is currently at 3.1%.
  - Measures are in place to ensure adequate market supply of perishable goods.

Interim Budget Focus

- **Key Focus Areas**:
  - Four major castes: 'Garib' (Poor), 'Mahilayen' (Women), 'Yuva' (Youth), and 'Annadata' (Farmer).
  - **Annadata (Farmers)**:
    - Higher Minimum Support Prices (MSP) announced for all major crops.
    - MSP ensures at least a 50% margin over costs.
  - **Pradhan Mantri Garib Kalyan Anna Yojana**:
    - Extended for five years.
    - Benefits over 80 crore people.



- **Implementation**:
  - Administrative actions for scheme approval and implementation from the interim budget are progressing.
  - Required budget allocations have been made.

Budget Theme

- **Main Focus Areas**:
  - Employment, skilling, MSMEs, and the middle class.
  - **Prime Minister's Package**:
- Five schemes and initiatives to facilitate employment and skilling.

        - Targeting 4.1 crore youth over five years.
        - Central outlay of ₹2 lakh crore.
    - **Budget Provision**:
        - ₹1.48 lakh crore allocated for education, employment, and skilling.

Budget Priorities

- **Strategic Priorities for Development**:
    - Presented a roadmap for 'Viksit Bharat'.
    - Focus on nine priorities:
        - Productivity and resilience in agriculture.
        - Employment and skilling.
        - Inclusive human resource development and social justice.
        - Manufacturing and services.
        - Urban development.
        - Energy security.
        - Infrastructure.
        - Innovation, research, and development.
        - Next generation reforms.
- **Future Budgets**:
    - Will build on these priorities.
    - Additional priorities and actions will be included.
    - Detailed formulation as part of the 'economic policy framework'.
- **Current Year Actions**:
    - Specific actions towards fulfilling these priorities.
    - Strengthening and expediting previously announced initiatives.
    - Aim for transformative changes towards 'Viksit Bharat'

Priority 1: Productivity and Resilience in Agriculture

Transforming Agriculture Research

- **Comprehensive Review**:
    - Focus on raising productivity and developing climate-resilient varieties.
    - Funding in challenge mode, including to the private sector.
    - Oversight by domain experts from government and outside.

Release of New Varieties

- **High-Yielding and Climate-Resilient Varieties**:
    - Release of 109 new varieties of 32 field and horticulture crops for cultivation by farmers.

Natural Farming

- **Initiatives and Support**:
    - 1 crore farmers to be initiated into natural farming within two years.
    - Supported by certification and branding.
    - Implementation through scientific institutions and willing gram panchayats.

- Establishment of 10,000 need-based bio-input resource centres.

Missions for Pulses and Oilseeds

- **Self-Sufficiency Strategy**:
  - Strengthening production, storage, and marketing of pulses and oilseeds.
  - Strategy for 'atmanirbharta' (self-reliance) in oilseeds such as mustard, groundnut, sesame, soybean, and sunflower.

Vegetable Production & Supply Chains

- **Development of Clusters**:
  - Large-scale clusters for vegetable production near major consumption centres.
  - Promotion of Farmer-Producer Organizations, cooperatives, and start-ups for vegetable supply chains.
  - Focus on collection, storage, and marketing.

Digital Public Infrastructure for Agriculture

- **Implementation Plan**:
  - Partnership with states to implement Digital Public Infrastructure (DPI) in agriculture.
  - Coverage of farmers and their lands within three years.
  - Digital crop survey for Kharif in 400 districts this year.
  - Inclusion of 6 crore farmers and their lands in registries.
  - Issuance of Jan Samarth based Kisan Credit Cards in five states.

Shrimp Production & Export

- **Financial Support**:
  - Establishment of Nucleus Breeding Centres for Shrimp Broodstocks.
  - Financing shrimp farming, processing, and export through NABARD.

National Cooperation Policy

- **Systematic Development**:
  - Introduction of a National Cooperation Policy for the cooperative sector.
  - Fast-tracking rural economic growth and generating large-scale employment opportunities.

Budget Provision

- **Allocation for Agriculture**:
  - Provision of ₹1.52 lakh crore for agriculture and allied sectors.

Priority 2: Employment & Skilling

Employment Linked Incentive

- **Implementation of Three Schemes**:
  - Based on enrolment in the EPFO.
  - Focus on recognition of first-time employees and support for employees and employers.
- **Scheme A: First Timers**:
  - Provides one-month wage to new workforce entrants in all formal sectors.
  - Direct benefit transfer of one-month salary in three instalments up to ₹15,000 for first-time employees.
  - Eligibility limit: salary up to ₹1 lakh per month.
  - Expected to benefit 210 lakh youth.
- **Scheme B: Job Creation in Manufacturing**:
  - Incentivizes additional employment in the manufacturing sector.
  - Linked to the employment of first-time employees.
  - Incentive for EPFO contribution in the first four years of employment.
  - Expected to benefit 30 lakh youth and their employers.
- **Scheme C: Support to Employers**:
  - Covers additional employment in all sectors.
  - Reimbursement to employers up to ₹3,000 per month for two years towards EPFO contribution for each additional employee.
  - Eligibility: additional employment with a salary up to ₹1 lakh per month.

- Expected to incentivize the employment of 50 lakh persons.

Participation of Women in the Workforce

- **Initiatives for Women**:
    - Setting up working women hostels in collaboration with industry.
    - Establishing creches.
    - Women-specific skilling programs.
    - Promotion of market access for women Self-Help Group (SHG) enterprises.

Skilling Programme

- **New Centrally Sponsored Scheme**:
    - Collaboration with state governments and industry.
    - 20 lakh youth to be skilled over five years.
    - Upgradation of 1,000 Industrial Training Institutes in hub and spoke arrangements.
    - Course content aligned with industry needs and introduction of new courses for emerging needs.

Skilling Loans

- **Model Skill Loan Scheme**:
    - Revised to facilitate loans up to ₹7.5 lakh with a government-promoted Fund guarantee.
    - Expected to help 25,000 students annually.

Education Loans

- **Financial Support for Higher Education**:
    - Loans up to ₹10 lakh for higher education in domestic institutions.
    - E-vouchers for annual interest subvention of 3% of the loan amount.
    - Direct benefit to 1 lakh students annually.

Priority 3: Inclusive Human Resource Development and Social Justice

Saturation Approach
- **Commitment to Inclusive Development**:
    - Focus on comprehensive social justice through saturation coverage of all eligible people.
    - Key areas: education and health to empower farmers, youth, women, and the poor.
- **Support for Economic Activities**:
    - Enhanced implementation of schemes for craftsmen, artisans, self-help groups, scheduled caste, scheduled tribe, women entrepreneurs, and street vendors.
    - Key schemes: PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India.

Purvodaya
- **Development of Eastern States**:
    - Plan for the all-round development of Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh.
    - Focus areas: human resource development, infrastructure, and economic opportunities.
- **Amritsar Kolkata Industrial Corridor**:
    - Support for an industrial node at Gaya.
    - Development of ancient cultural centers into modern economic hubs under the theme "Vikas bhi Virasat bhi".
- **Road Connectivity Projects**:
    - Projects include Patna-Purnea Expressway, Buxar-Bhagalpur Expressway, Bodhgaya, Rajgir, Vaishali, and Darbhanga spurs.
    - Additional two-lane bridge over river Ganga at Buxar.
    - Total cost: ₹26,000 crore.
- **Power and Infrastructure Projects**:
    - New 2400 MW power plant at Pirpainti costing ₹21,400 crore.
    - Development of new airports, medical colleges, and sports infrastructure in Bihar.
- **Capital Investment Support**:
    - Additional allocation for capital investments.
    - Expedite external assistance requests from multilateral development banks for Bihar.

Andhra Pradesh Reorganization Act

- **Fulfilling Commitments**:
  - Special financial support for the capital of Andhra Pradesh.
  - ₹15,000 crore arranged for the current financial year, with more in future years.
- **Polavaram Irrigation Project**:
  - Commitment to financing and early completion.
  - Critical for Andhra Pradesh's farmers and food security.
- **Infrastructure for Industrial Development**:
  - Funds for essential infrastructure in Kopparthy node and Orvakal node on respective industrial corridors.
  - Additional allocation for capital investment this year.
- **Grants for Backward Regions**:
  - Allocation for backward regions of Rayalaseema, Prakasam, and North Coastal Andhra.

PM Awas Yojana

- **Housing for All**:
  - Announcement of three crore additional houses in rural and urban areas.
  - Necessary budget allocations being made.

Women-led Development

- **Budget Allocation**:
  - Over ₹3 lakh crore allocated for schemes benefitting women and girls.
  - Emphasis on enhancing women's role in economic development.

Pradhan Mantri Janjatiya Unnat Gram Abhiyan

- **Tribal Community Development**:
  - Launch of the Pradhan Mantri Janjatiya Unnat Gram Abhiyan.
  - Saturation coverage for tribal families in 63,000 villages.
  - Benefitting 5 crore tribal people.

Banking Services in North-East

- **Expansion of Banking Services**:
  - More than 100 branches of India Post Payment Bank to be set up in the North-East region.

Budget Provision

- **Rural Development Allocation**:
  - Provision of ₹2.66 lakh crore for rural development including rural infrastructure.

Priority 4: Manufacturing & Services

Support for Promotion of MSMEs

- **Special Attention to MSMEs and Manufacturing**:
  - Focus on labor-intensive manufacturing.
  - Package includes financing, regulatory changes, and technology support.
- **Credit Guarantee Scheme for MSMEs in the Manufacturing Sector**:
  - Facilitates term loans for machinery and equipment without collateral.
  - Self-financing guarantee fund provides cover up to ₹100 crore per applicant.
  - Borrowers pay upfront and annual guarantee fees.
- **New Assessment Model for MSME Credit**:
  - Public sector banks to build in-house credit assessment capability.
  - Develop new credit assessment model based on digital footprints.
- **Credit Support to MSMEs During Stress Period**:
  - Mechanism to continue bank credit to MSMEs during stress periods.
  - Supported through a government-promoted fund guarantee.
- **Mudra Loans**:
  - Limit increased to ₹20 lakh from ₹10 lakh for successful previous borrowers in the 'Tarun' category.
- **Enhanced Scope for Mandatory Onboarding in TReDS**:
  - Reduces turnover threshold for mandatory onboarding from ₹500 crore to ₹250 crore.

- Includes 22 more CPSEs and 7000 more companies.
- **SIDBI Branches in MSME Clusters**:
  - SIDBI to open new branches in MSME clusters, expanding service coverage to 168 out of 242 major clusters within three years.
- **MSME Units for Food Irradiation, Quality & Safety Testing**:
  - Financial support for 50 multi-product food irradiation units.
  - Establishment of 100 food quality and safety testing labs with NABL accreditation.
- **E-Commerce Export Hubs**:
  - Public-private-partnership (PPP) mode hubs for MSMEs and artisans to sell internationally.
  - Facilitate trade and export-related services under one roof.

Measures for Promotion of Manufacturing & Services

- **Internship in Top Companies**:
  - Comprehensive scheme for providing internships in 500 top companies to 1 crore youth over five years.
  - Includes an internship allowance and one-time assistance.
- **Industrial Parks**:
  - Development of investment-ready "plug and play" industrial parks in or near 100 cities in partnership with states and private sector.
  - Sanctioning of 12 industrial parks under the National Industrial Corridor Development Programme.
- **Rental Housing**:
  - Facilitation of dormitory-type rental housing for industrial workers in PPP mode with VGF support.
- **Shipping Industry**:
  - Ownership, leasing, and flagging reforms to improve the Indian shipping industry's share and generate employment.
- **Critical Mineral Mission**:
  - Mission for domestic production, recycling, and overseas acquisition of critical mineral assets.
  - Includes technology development, skilled workforce, extended producer responsibility framework, and suitable financing mechanism.
- **Offshore Mining of Minerals**:
  - Launch of the auction of the first tranche of offshore blocks for mining.
- **Digital Public Infrastructure Applications**:
  - Development of DPI applications for productivity gains, business opportunities, and innovation.
  - Focus areas: credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery, and urban governance.
- **Integrated Technology Platform for IBC Ecosystem**:
  - Platform to improve outcomes under the Insolvency and Bankruptcy Code (IBC) for consistency, transparency, timely processing, and better oversight.
- **Voluntary Closure of LLPs**:
  - Extension of Centre for Processing Accelerated Corporate Exit (C-PACE) services to reduce closure time.
- **National Company Law Tribunals**:
  - IBC has resolved over 1,000 companies, recovering ₹3.3 lakh crore to creditors.
  - Disposed of 28,000 cases involving over ₹10 lakh crore prior to admission.
  - Initiate changes to IBC, reforms, and strengthening of tribunals and appellate tribunals for faster insolvency resolution.
  - Establishment of additional tribunals to handle Companies Act cases exclusively.
- **Debt Recovery**:
  - Reforms and strengthening of debt recovery tribunals.
  - Establishment of additional tribunals to speed up debt recovery.

Priority 5: Urban Development

Cities as Growth Hubs

- **Development as Growth Hubs**:
    - Collaboration with states to facilitate development.
    - Focus on economic and transit planning.
    - Orderly development of peri-urban areas utilizing town planning schemes.

Creative Redevelopment of Cities

- **Framework for Brownfield Redevelopment**:
    - Formulation of policies, market-based mechanisms, and regulations for creative redevelopment of existing cities.
    - Aim for transformative impact.

Transit Oriented Development

- **Plans for Large Cities**:
    - Transit Oriented Development plans for 14 cities with populations above 30 lakh.
    - Includes implementation and financing strategy.

Urban Housing

- **PM Awas Yojana Urban 2.0**:
    - Address housing needs of 1 crore urban poor and middle-class families.
    - Investment of ₹10 lakh crore.
    - Central assistance of ₹2.2 lakh crore over the next five years.
    - Provision of interest subsidy to facilitate affordable loans.
- **Rental Housing Markets**:
    - Policies and regulations for efficient and transparent rental housing markets.
    - Enhanced availability of rental housing.

Water Supply and Sanitation

- **Promoting Water and Waste Management**:
    - Partnership with state governments and Multilateral Development Banks.
    - Projects for water supply, sewage treatment, and solid waste management in 100 large cities.
    - Use of treated water for irrigation and filling up of tanks.

Street Markets

- **Support for Weekly Markets**:
    - Scheme to support the development of 100 weekly 'haats' or street food hubs annually over the next five years.
    - Building on the success of PM SVANidhi Scheme.

Stamp Duty

- **Moderation of Stamp Duty Rates**:
    - Encouragement for states to moderate high stamp duty rates.
    - Consideration of further reductions for properties purchased by women.
    - Inclusion of this reform as an essential component of urban development schemes.

Priority 6: Energy Security

Energy Transition

- **Policy Document on Energy Transition**:
    - Focus on sustaining high and resource-efficient economic growth.
    - Ensure energy security in terms of availability, accessibility, and affordability.
    - Balance employment, growth, and environmental sustainability.

PM Surya Ghar Muft Bijli Yojana

- **Rooftop Solar Initiative**:
    - Launched to install rooftop solar plants for 1 crore households.
    - Provides free electricity up to 300 units per month.
    - Generated more than 1.28 crore registrations and 14 lakh applications.
    - Encouragement for further participation.

Pumped Storage Policy

- **Promotion of Pumped Storage Projects**:
    - Policy to facilitate electricity storage.
    - Smooth integration of renewable energy with its variable and intermittent nature.

Research and Development of Small and Modular Nuclear Reactors

- **Nuclear Energy Development**:
    - Significant part of the energy mix for Viksit Bharat.
    - Partnership with the private sector for:
        - Bharat Small Reactors.
        - Research & Development of Bharat Small Modular Reactors.
        - Development of new nuclear energy technologies.
    - R&D funding provided as announced in the interim budget.

Advanced Ultra Super Critical Thermal Power Plants

- **Indigenous Technology Development**:
    - Completion of technology development for Advanced Ultra Super Critical (AUSC) thermal power plants.
    - Joint venture between NTPC and BHEL to set up a 800 MW commercial plant using AUSC technology.
    - Government fiscal support for the project.
    - Development of indigenous capacity for high-grade steel and advanced metallurgy materials.

Roadmap for 'Hard to Abate' Industries

- **Transition to Emission Targets**:
    - Formulation of a roadmap for moving industries from energy efficiency to emission targets.
    - Regulations for transitioning from 'Perform, Achieve and Trade' mode to 'Indian Carbon Market' mode.

Support to Traditional Micro and Small Industries

- **Energy Audits and Efficiency Measures**:
    - Investment-grade energy audit for traditional micro and small industries in 60 clusters.
    - Financial support for shifting to cleaner energy and implementing energy efficiency measures.
    - Plan to replicate the scheme in another 100 clusters in the next phase.

Priority 7: Infrastructure

Infrastructure Investment by Central Government

- **Central Government Investment**:
    - Significant past investments have had a strong multiplier effect on the economy.
    - Commitment to maintain strong fiscal support for infrastructure over the next five years.
    - Provision of ₹11,11,111 crore for capital expenditure, equivalent to 3.4% of GDP.

Infrastructure Investment by State Governments

- **State Government Support**:
    - Encouragement for states to provide similar scale support for infrastructure.
    - Provision of ₹1.5 lakh crore for long-term interest-free loans to support states' resource allocation.

Private Investment in Infrastructure

- **Promotion of Private Investment**:
    - Promotion through viability gap funding, enabling policies, and regulations.
    - Introduction of a market-based financing framework.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

- **Phase IV of PMGSY**:
    - Launch to provide all-weather connectivity to 25,000 rural habitations with increased population.

Irrigation and Flood Mitigation

- **Flood Control and Irrigation Projects**:
  - Financial support for projects in Bihar, including the Kosi-Mechi intra-state link and 20 other schemes, with an estimated cost of ₹11,500 crore.
  - Survey and investigation of Kosi-related flood mitigation and irrigation projects.
  - Assistance for flood management projects in Assam, Himachal Pradesh, Uttarakhand, and Sikkim.

Tourism

- **Development of Tourism**:
  - Positioning India as a global tourist destination to create jobs and stimulate investments.
  - Comprehensive development of Vishnupad Temple Corridor and Mahabodhi Temple Corridor in Bihar.
  - Development initiative for Rajgir, including its religious sites and hotsprings.
  - Support for the development of Nalanda as a tourist center and revival of Nalanda University.
  - Assistance for the development of Odisha's tourism sites, including temples, monuments, wildlife sanctuaries, and beaches.

Priority 8: Innovation, Research & Development

Anusandhan National Research Fund

- **Operationalization**:
  - Fund for basic research and prototype development.
  - Mechanism to spur private sector-driven research and innovation at a commercial scale.
  - Financing pool of ₹1 lakh crore.

Space Economy

- **Expansion and Venture Capital Fund**:
  - Emphasis on expanding the space economy by 5 times in the next 10 years.
  - Establishment of a venture capital fund of ₹1,000 crore.

Priority 9: Next Generation Reforms

Economic Policy Framework
- **Formulation**:
  - Overarching approach to economic development.
  - Scope of next generation reforms for facilitating employment opportunities and sustaining high growth.
- **Initiatives and Incentives**:
  - Improving productivity of factors of production.
  - Facilitating efficient markets and sectors.
  - Reforms covering land, labour, capital, entrepreneurship, and technology.

Collaboration with States

- **Competitive Federalism**:
  - Collaboration between Centre and states for effective reform implementation.
  - Earmarking part of the 50-year interest-free loan for incentivizing state reforms.

Land-Related Reforms by State Governments

- **Rural and Urban Areas**:
  - Land administration, planning, and management.
  - Urban planning, usage, and building bylaws.
  - Completion incentivized through fiscal support within three years.

Rural Land-Related Actions

- **Key Actions**:
  - Unique Land Parcel Identification Number (ULPIN) or Bhu-Aadhaar.
  - Digitization of cadastral maps.
  - Survey of map sub-divisions per current ownership.

- Establishment of land registry linked to farmers registry.

Urban Land-Related Actions

- **Digitization and GIS Mapping**:
    - Digitization of urban land records.
    - IT-based system for property record administration and tax administration.

Labour-Related Reforms

- **Services to Labour**:
    - Provision of employment and skilling services.
    - Integration of e-shram portal with other portals for a one-stop solution.
    - Development of open architecture databases for labor market dynamics.
- **Shram Suvidha & Samadhan Portal**:
    - Revamp to enhance ease of compliance for industry and trade.

Capital and Entrepreneurship Related Reforms

- **Financial Sector Vision and Strategy**:
    - Document to meet the financing needs of the economy.
    - Guidance for the next 5 years covering government, regulators, financial institutions, and market participants.
- **Taxonomy for Climate Finance**:
    - Development of a taxonomy to enhance capital availability for climate adaptation and mitigation.
- **Variable Capital Company Structure**:
    - Legislative approval for financing leasing of aircrafts, ships, and private equity pooled funds.
- **FDI and Overseas Investment**:
    - Simplification of rules and regulations to facilitate FDI, prioritize investments, and promote the use of Indian Rupee for overseas investments.

Use of Technology

- **Public Investment and Digitalization**:
    - Continued use of technology for productivity and bridging inequality.
    - Stepping up digitalization efforts for market resources, education, health, and services.

Ease of Doing Business

- **Enhancements**:
    - Implementation of Jan Vishwas Bill 2.0.
    - Incentives for state implementation of Business Reforms Action Plans and digitalization.

Data and Statistics

- **Improving Data Governance**:
    - Utilization of sectoral databases under the Digital India mission.
    - Active use of technology tools for data collection, processing, and management.

New Pension Scheme (NPS)

- **NPS-Vatsalya**:
    - Plan for contributions by parents and guardians for minors, convertible into a normal NPS account upon reaching adulthood.
- **Committee Review**:
    - Progress in reviewing NPS to address issues while maintaining fiscal prudence.

Budget Estimates 2024-25

20. **Financial Projections**:
    - Total receipts (excluding borrowings): ₹32.07 lakh crore.
    - Total expenditure: ₹48.21 lakh crore.
    - Net tax receipts: ₹25.83 lakh crore.
    - Fiscal deficit: 4.9% of GDP.
21. **Market Borrowings**:
    - Gross: ₹14.01 lakh crore.
    - Net: ₹11.63 lakh crore.
    - Both less than the previous year.
22. **Fiscal Consolidation Path**:
    - Aim for a deficit below 4.5% next year.
    - Commitment to a declining Central Government debt as a percentage of GDP from 2026-27 onwards.

Indirect Taxes

Goods and Services Tax (GST)

- **Benefits and Simplification**:
    - Decreased tax incidence on the common man.
    - Reduced compliance burden and logistics cost for trade and industry.
    - Enhanced revenues for central and state governments.
    - Further simplification and rationalization of the tax structure planned.
    - Expansion to remaining sectors is a priority.

Customs Duties

- **Objectives**:
    - Support domestic manufacturing.
    - Deepen local value addition.
    - Promote export competitiveness.
    - Simplify taxation while considering public and consumer interests.
- **Review and Simplification**:
    - Comprehensive review of customs duty rates over the next six months.
    - Aim to rationalize, simplify for ease of trade, remove duty inversion, and reduce disputes.

Sector-Specific Customs Duty Proposals

- **Medicines and Medical Equipment**:
    - Full exemption of customs duties on three more medicines for cancer patients.
    - Changes in Basic Customs Duty (BCD) on x-ray tubes and flat panel detectors for medical x-ray machines to synchronize with domestic capacity addition.
- **Mobile Phones and Related Parts**:
    - Reduction of BCD on mobile phones, mobile PCBA, and mobile chargers to 15%.
    - Significant increase in domestic production and exports over the last six years.
- **Critical Minerals**:
    - Full exemption of customs duties on 25 critical minerals.
    - Reduction of BCD on two critical minerals to support processing, refining, and strategic sector availability.
- **Solar Energy**:
    - Expansion of the list of exempted capital goods for manufacturing solar cells and panels.
    - No extension of exemption for solar glass and tinned copper interconnect due to sufficient domestic capacity.
- **Marine Products**:
    - Reduction of BCD on certain broodstock, polychaete worms, shrimp, and fish feed to 5%.
    - Exemption of customs duty on various inputs for shrimp and fish feed manufacturing.
- **Leather and Textile**:
    - Reduction of BCD on real down filling material from duck or goose.
    - Additions to the exempted goods list for manufacturing leather and textile garments, footwear, and other articles for export.
    - Reduction of BCD on methylene diphenyl diisocyanate (MDI) for spandex yarn manufacturing from 7.5% to 5%.
    - Simplification and rationalization of the export duty structure on raw hides, skins, and leather.
- **Precious Metals**:
    - Reduction of customs duties on gold and silver to 6% and on platinum to 6.4% to enhance domestic value addition in jewelry.
- **Other Metals**:
    - Removal of BCD on ferro nickel and blister copper.
    - Continuation of nil BCD on ferrous scrap and nickel cathode and concessional BCD of 2.5% on copper scrap.
- **Electronics**:
    - Removal of BCD on oxygen-free copper for manufacturing resistors.
    - Exemption of certain parts for manufacturing connectors.
- **Chemicals and Petrochemicals**:

- Increase of BCD on ammonium nitrate from 7.5% to 10% to support new capacities.
- **Plastics**:
  - Increase of BCD on PVC flex banners from 10% to 25% due to environmental and health concerns.
- **Telecommunication Equipment**:
  - Increase of BCD from 10% to 15% on PCBA of specified telecom equipment to incentivize domestic manufacturing.

Trade Facilitation

- **Aviation and Boat & Ship MRO**:
  - Extension of the period for export of goods imported for repairs from six months to one year.
  - Extension of the time-limit for re-import of goods for repairs under warranty from three to five years.

Direct Taxes

Simplification and Improvement

- **Efforts and Measures**:
  - Simplification of taxes.
  - Improvement of taxpayer services.
  - Provision of tax certainty.
  - Reduction of litigation.
  - Enhanced revenues to fund development and welfare schemes.
- **Simplified Tax Regimes**:
  - Introduction of simplified tax regimes without exemptions and deductions for corporate and personal income tax.
  - 58% of corporate tax in FY 2022-23 came from the simplified tax regime.
  - More than two-thirds of personal income tax filers have availed the new regime.

Comprehensive Review of the Income-Tax Act, 1961

- **Review Announcement**:
  - Aim to make the Act concise, lucid, and easy to understand.
  - Reduction of disputes and litigation.
  - Proposed completion within six months.
  - Simplified tax regime for charities, Tax Deducted at Source (TDS) rate structure, reassessment provisions, and capital gains taxation.

Simplification for Charities and TDS

- **Charities**:
  - Merge two tax exemption regimes into one.
- **TDS Simplification**:
  - Merge 5% TDS rate into 2%.
  - Withdrawal of 20% TDS on mutual funds or UTI repurchase.
  - Reduction of TDS rate on e-commerce operators from 1% to 0.1%.
  - Credit of Tax Collected at Source (TCS) to be given in the TDS on salary.
  - Decriminalization of delayed TDS payment up to the due date of filing.
  - Standard operating procedure for TDS defaults and simplified compounding guidelines.

Simplification of Reassessment

- **Reopening and Reassessment**:
  - Reopening beyond three years only if escaped income is ₹50 lakh or more, up to a maximum of five years.
  - In search cases, time limit reduced from ten years to six years before the year of search.

Simplification and Rationalization of Capital Gains

- **Capital Gains Taxation**:
  - Short term gains on certain financial assets to be taxed at 20%.
  - Long term gains on all financial and non-financial assets taxed at 12.5%.
  - Exemption limit for capital gains on certain financial assets increased to ₹1.25 lakh per year.
  - Classification of assets:

- Listed financial assets: long term if held for more than a year.
- Unlisted financial and non-financial assets: long term if held for at least two years.
- Unlisted bonds, debentures, debt mutual funds, and market linked debentures taxed at applicable rates regardless of holding period.

Taxpayer Services

- **Digitalization**:
    - All major taxpayer services under GST and most services under Customs and Income Tax have been digitalized.
    - Remaining services to be digitalized and made paperless over the next two years.

Litigation and Appeals

- **Reducing Pendency of Appeals**:
    - Deployment of more officers to hear and decide first appeals, especially those with large tax effects.
    - Introduction of Vivad Se Vishwas Scheme, 2024, for resolution of certain income tax disputes.
    - Increased monetary limits for filing appeals related to direct taxes, excise, and service tax in Tax Tribunals, High Courts, and Supreme Court.
- **International Taxation**:
    - Expansion of safe harbour rules.
    - Streamlining of transfer pricing assessment procedure.

Employment and Investment

- **Proposals to Promote Investment and Employment**:
    - Abolishment of the angel tax for all classes of investors.
    - Simpler tax regime for foreign shipping companies operating domestic cruises.
    - Safe harbour rates for foreign mining companies selling raw diamonds in India.
    - Reduction of corporate tax rate on foreign companies from 40% to 35%.

Deepening the Tax Base

- **Security Transactions Tax**:
    - Increase in Security Transactions Tax on futures and options of securities to 0.02% and 0.1% respectively.
- **Tax on Buyback of Shares**:
    - Tax income received on buyback of shares in the hands of the recipient.

Social Security and Other Measures

- **NPS Deduction**:
    - Increase deduction of expenditure by employers towards NPS from 10% to 14% of the employee's salary.
    - Deduction for employees in private sector, public sector banks, and undertakings opting for the new tax regime.
- **De-penalization**:
    - Non-reporting of movable assets up to ₹20 lakh de-penalized under the Black Money Act.
- **Other Proposals**:
    - Withdrawal of the 2% equalization levy.
    - Expansion of tax benefits to certain funds and entities in IFSCs.
    - Immunity from penalty and prosecution to benamidar on full and true disclosure under the Benami Transactions (Prohibition) Act, 1988.

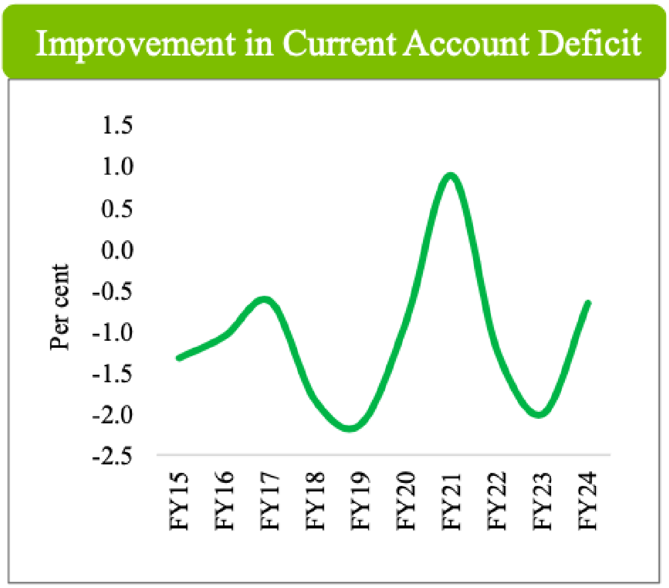
Personal Income Tax

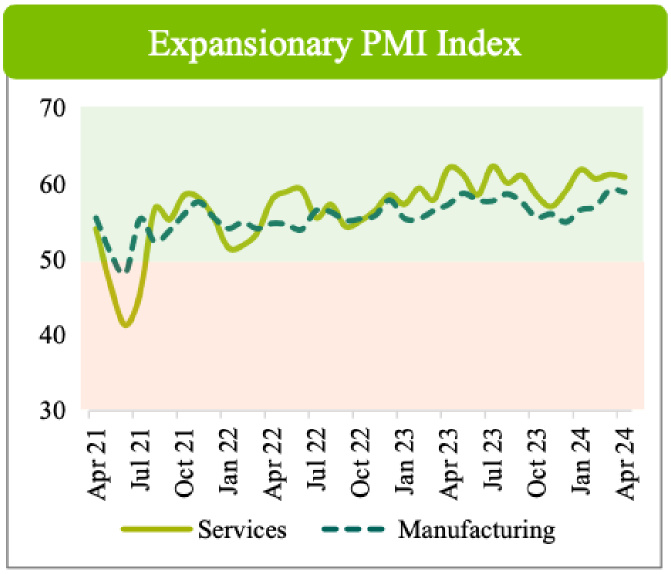
- **New Tax Regime**:
    - Increase standard deduction for salaried employees from ₹50,000 to ₹75,000.
    - Increase deduction on family pension for pensioners from ₹15,000 to ₹25,000.

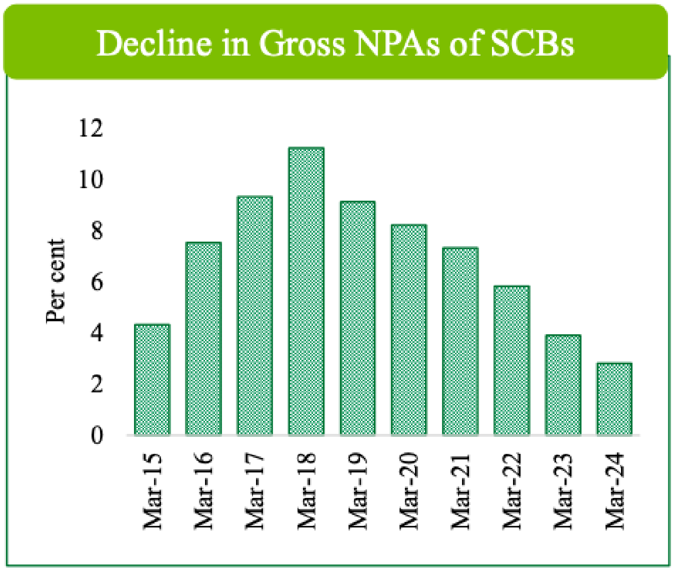
0-3 lakh rupees	Nil
3-7 lakh rupees	5 per cent
7-10 lakh rupees	10 per cent
10-12 lakh rupees	15 per cent
12-15 lakh rupees	20 per cent
Above 15 lakh rupees	30 per cent

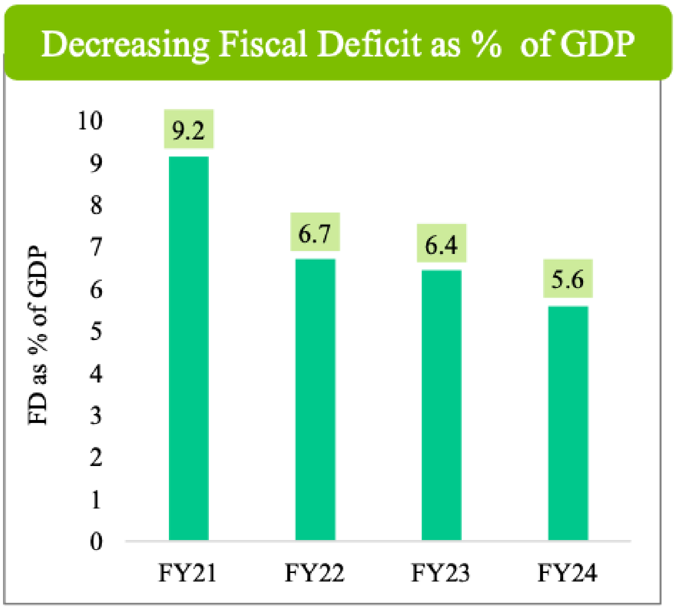
- Resulting in a tax saving of up to ₹17,500 for salaried employees.
- **Revenue Impact**:
  - Revenue forgone: ₹37,000 crore (₹29,000 crore in direct taxes and ₹8,000 crore in indirect taxes).
  - Additional mobilization: ₹30,000 crore.
  - Net revenue forgone: ₹7,000 crore annually.

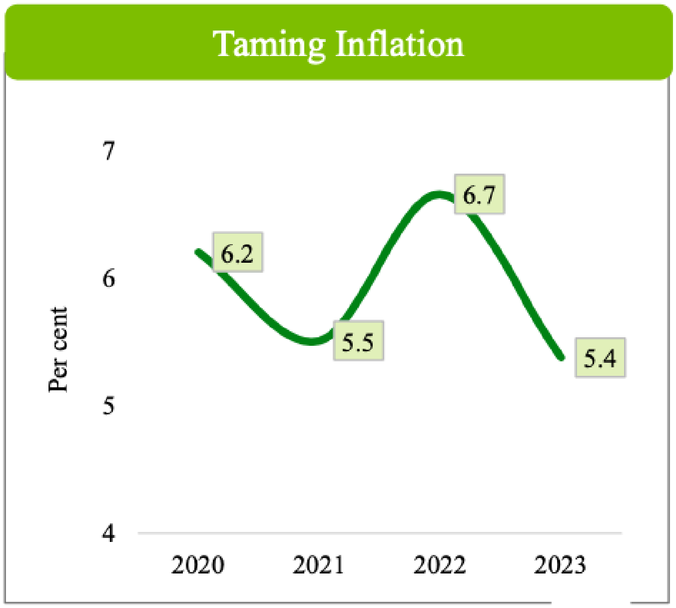
Robust Economic Foundations



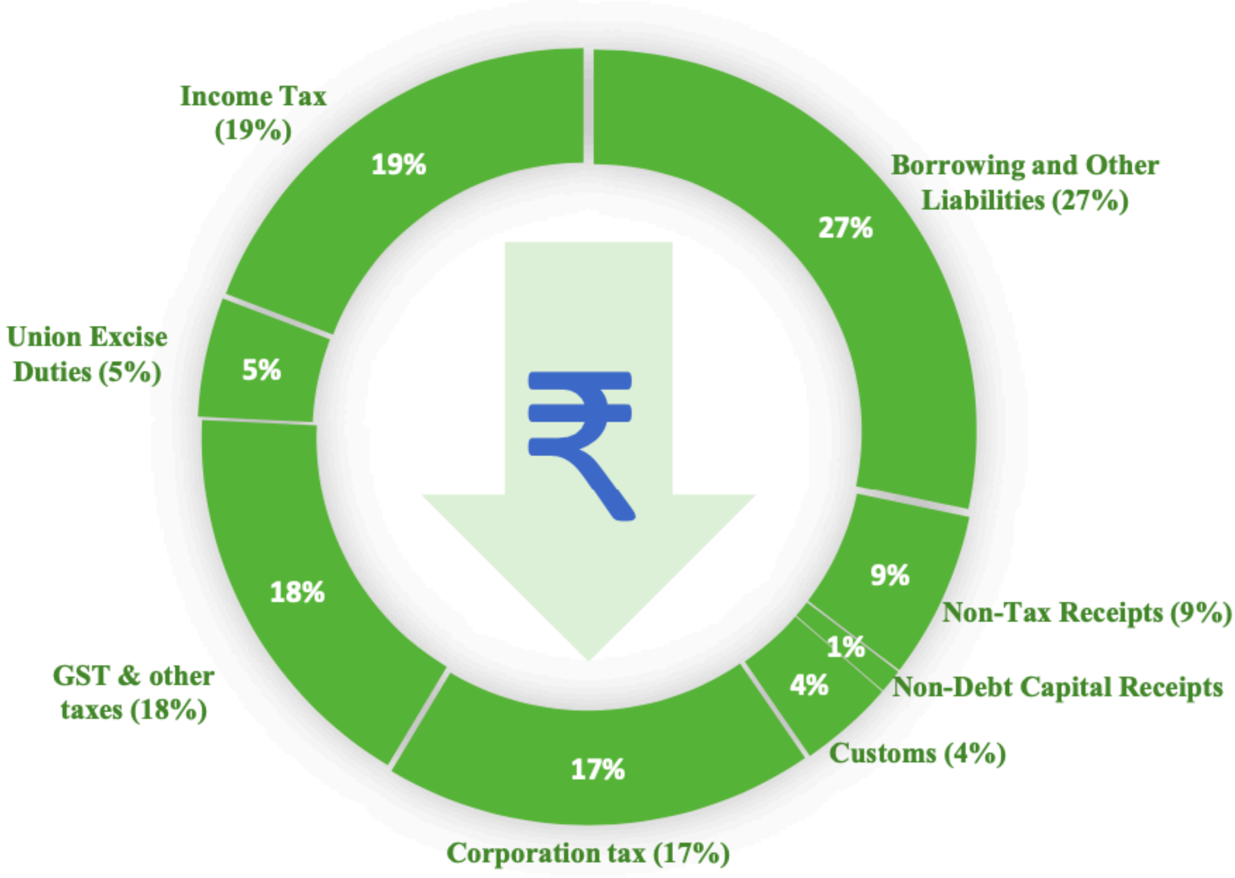




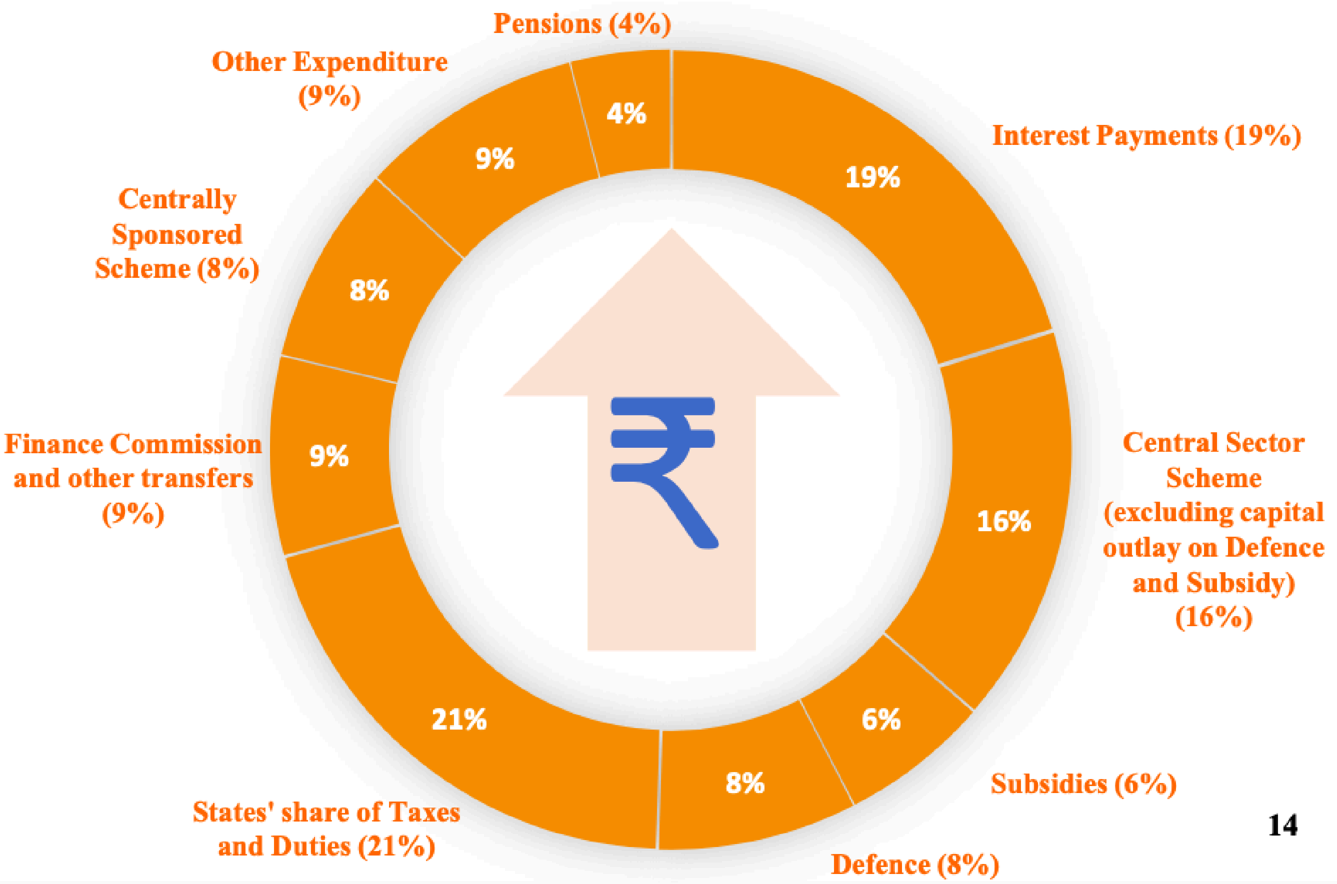




Rupee Comes From



Rupee Goes To

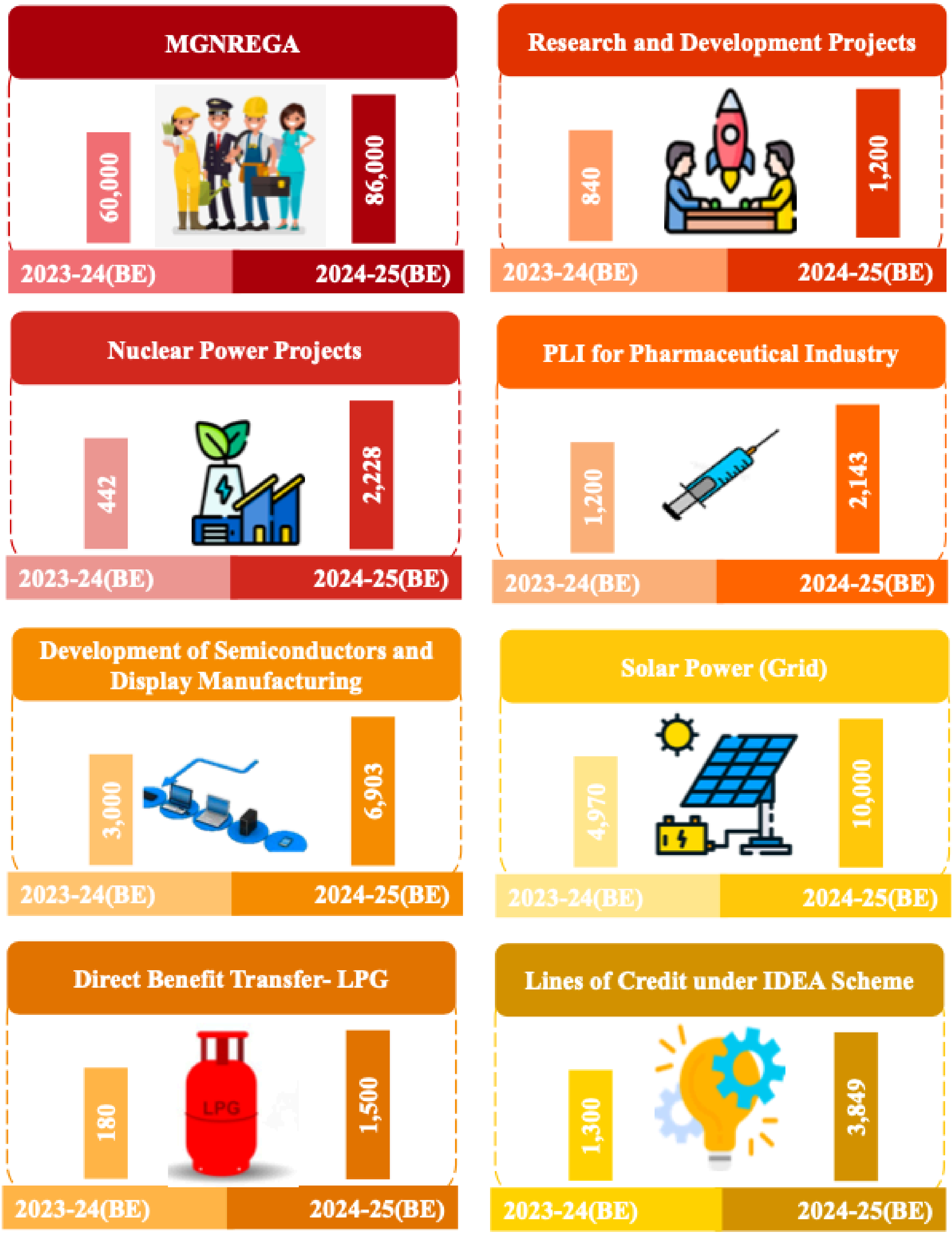


Expenditure of Major Items

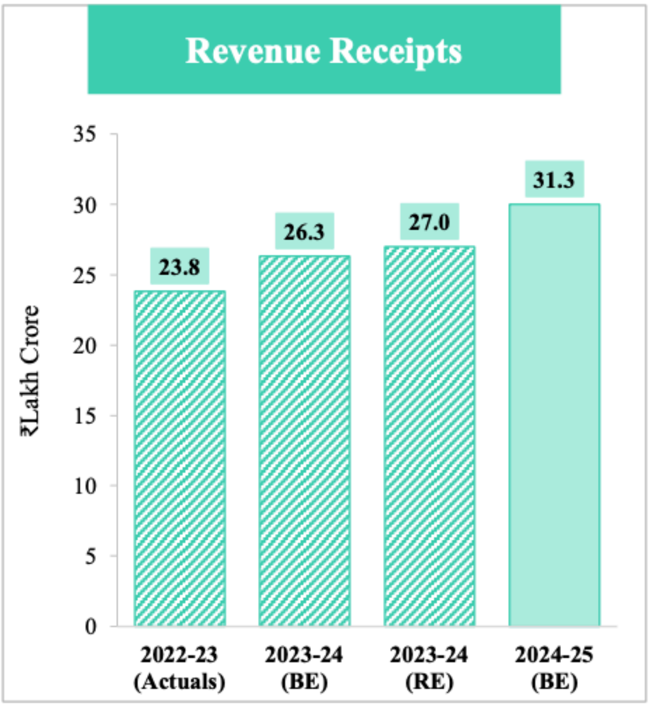
in ₹ Crore

Defence	4,54,773
Rural Development	2,65,808
Agriculture and Allied Activities	1,51,851
Home Affairs	1,50,983
Education	1,25,638
IT and Telecom	1,16,342
Health	89,287
Energy	68,769
Social Welfare	56,501
Commerce & Industry	47,559

Allocation to Major Schemes (in ₹ crore)

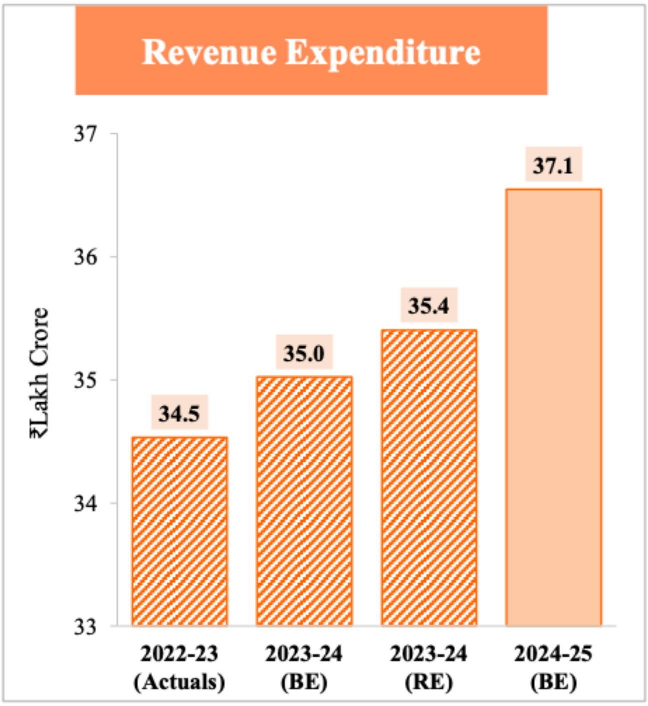


Rec



Revenue Receipts
₹Lakh Crore
35
30
25
20
15
10
5
0
23.8
26.3
27.0
31.3
2022-23 (Actuals)
2023-24 (BE)
2023-24 (RE)
2024-25 (BE)

Expen



Revenue Expenditure
₹Lakh Crore
37
36
35
34
33
34.5
35.0
35.4
37.1
2022-23 (Actuals)
2023-24 (BE)
2023-24 (RE)
2024-25 (BE)