



# UNION BUDGET 2024-2025

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*"India's economic growth continues to be the shining exception and will remain so in the years ahead."*

*- Hon'ble Finance Minister, Nirmala Sitharaman (2024-25, Union Budget)*



In the interim Budget the government promised to present a detailed roadmap for the pursuit of Viksit Bharat. In line with the strategy set in the interim Budget, the Union Budget 2024-25 envisages sustained efforts on the following nine priorities for 'Viksit Bharat', listing them as:

- Productivity and resilience in agriculture
- Employment and skilling
- Inclusive human development and social justice
- Manufacturing and services
- Urban development
- Energy security
- Infrastructure
- Innovation research and development
- Next-gen reforms

## AGRICULTURE

### 1. Government Announces Comprehensive Overhaul of Agricultural Research to Boost Productivity and Develop Climate-Resilient Varieties

- To Transform agricultural research, a comprehensive review of the agricultural research setup to bring the focus on raising productivity and developing climate-resilient varieties. Funding will be provided in challenge mode including to the private sector, domain experts both from the government and outside and will oversee the conduct of such research.
- 109 new high-yielding and climate-resilient varieties of 32 field and horticultural crops will be released for cultivation by farmers.

### 2. One Crore Farmers to Adopt Natural Farming in Two Years

In the next two years, one crore farmers across the country will be initiated into natural farming supported by certification and branding. Implementation will be through scientific institutions and willing Gram Panchayats. 10,000 need-based bio input resource centres will be established.



### 3. Missions for pulses and oil seeds

For achieving self-sufficiency in pulses and oil seeds, the govt will strengthen their production, storage and marketing. A strategy is being put in place to achieve *aatani bharta* for oil seeds such as mustard, groundnut, sesame, soybean and sunflower.

### 4. National Cooperation Policy for overall development

The government will bring a National Cooperation Policy for the overall development of the country. The Centre will promote digital public infrastructure for agriculture in partnership with states, while Jan Samarth-based Kisan Credit Card will be introduced in five States. Also, the government will provide finance for shrimp farming and marketing.

## EMPLOYMENT AND SKILLING

### 1. Budget to provide INR 1.48 lakh crore for education and employment and skill.

PM Package of five schemes aimed at facilitating employment and skilling, with an allocation of INR 2 lakh crore. This year, a provision of INR 1.48 lakh crore has been made for education, employment, and skilling.

### 2. Government to launch three employment-linked schemes

- The government will launch three employment-linked schemes and will also provide incentives to 30 lakh youth entering the job market by providing one month's PF (provident fund) contribution.
- Working women hostels will be set up in the country to promote women's participation in the workforce.
- An already existing scheme -- MGNREGA (Mahatma Gandhi National Rural Employment Guarantee) -- aims to provide 100 days of wage employment in a particular fiscal year to at least one member of every household whose adult members seek manual work.

### 3. Fund of INR 2 lakh crores is allocated to employ 4.1 crore youth over next 5 years

- Creation of employment of about 4.1 crore youth over the next five years and for the same an allocation of INR 2 lakh crore.



- Similarly, for skilling the citizens so as to generate job opportunities, INR 1.48 crore has been proposed. 20 lakh youth will be skilled over a five-year period. A total of 1,000 industrial training institutes will be upgraded.
- One-time wage would be provided to all first-time employees in all sectors. The incentive for first-timers would be provided through Direct Benefit Transfer (DBT)
- The government will launch internship opportunities in 500 companies to one crore youth in five years. Interns will get exposure to real-life environment and an allowance of INR 5000 per month. The companies will bear training and 10% of training cost from CSR funds.

#### **4. Government's big push on employment-linked skilling**

Employment-linked skilling through schemes as part of the PM's package. These schemes will be based on enrolment in the EPFO, focusing on recognizing first-time employees. First-timers will receive one month's wage upon entering the workforce in all formal sectors. A direct benefit transfer (DBT) of one month's salary, up to Rs 15,000, will be provided in three instalments. The eligibility limit for this benefit will be a salary of Rs 1 lakh per month, and it is expected to benefit 2.1 lakh youths.

#### **5. Job creation in the manufacturing sector**

Job creation in the manufacturing sector will be incentivized through a scheme linked to the employment of first-time employees. This scheme will provide incentives to both employees and employers concerning EPFO contributions for the first four years of employment. It will benefit 30 lakh youth and cover additional employment in all sectors. The government will reimburse employers up to Rs 3,000 per month for two years towards EPFO contributions for each additional employee. This initiative aims to incentivize the additional employment of 50 lakh people.

## **INFRASTRUCTURE**

#### **1. 12 industrial parks will be sanctioned**

Twelve new industrial parks will be developed under the National Industrial Corridor Development programme in her Budget speech for 2024-25. These parks will be equipped with complete infrastructure and 'plug and play' parks will be sanctioned in or near 100 cities.



## **2. Development Grants and Infrastructure Boost for Eastern State**

A backward region grant will be provided to 3 districts of Andhra Pradesh. As per Budget 2024-25, the Union Government will arrange financial assistance to Bihar through aid from multilateral development agencies.

The government will also set up airports, medical colleges and sports infrastructure in Bihar. The Centre will also formulate a plan 'Purvodaya' for all-round development of Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh.

The government will also provide e-vouchers directly to 1 lakh students every year with interest subvention of 3% of loan amount.

## **3. Advanced Ultra-Super Critical Thermal Power Plants developed indigenously**

Electricity storage solutions will be worked out for renewable energy. Research and Development on smaller nuclear reactors. Government will partner with the private sector for setting up Bharat Small Reactors, research and development of new technologies for nuclear energy. Advanced Ultra-Super Critical Thermal Power Plants, with much higher efficiency, have been developed indigenously. An 800 MW commercial plant will be set up, with the government providing the required fiscal support.

## **4. Private investment in infrastructure will be promoted**

Government will endeavor to maintain strong fiscal support for infrastructure. This year, INR 11,11,111 crore has been allocated for capital expenditure, which amounts to 3.4% of India's GDP.

Private investment in infrastructure will be promoted through Viability Gap Funding and a market-based financing framework would be brought out.

## **5. Budget provides INR 2.66 lakh crore for rural development**

INR 2.66 lakh crore has been allocated for rural development, including rural infrastructure. Three crore additional houses will be constructed under the PM Awas Yojana in rural and urban areas.

### **SCHEMES / YOJANA**



### **1. Credit guarantee schemes for MSMEs in manufacturing**

A new scheme will be introduced to facilitate term loans for MSMEs for the purchase of machinery and equipment without collateral and guarantee. This guarantee fund will provide guarantees of up to Rs 100 crore.

### **2. Government enhances limit of MUDRA loans to Rs 20 lakh**

The limit of MUDRA loans will be enhanced to Rs 20 lakh from the current Rs 10 lakh for those who have availed and successfully repaid loans under the TARUN category.

### **3. PM Awas Yojana-Urban**

Under the PM Awas Yojana-Urban, the housing needs of one crore poor and middle-class families will be addressed with an investment of INR 10 lakh crore. This will include the central assistance of INR 2.2 lakh crore in the next five years to make housing more affordable.

### **4. On water supply and sanitation**

In partnership with States, and MDBs, the Modi-led NDA Government will promote water supply, sewage treatment and solid waste management projects for 100 large cities.

### **5. Scheme to support development of 100 weekly haats or street food hubs for 5 years**

Building on the PM Swanidhi scheme for street vendors, a scheme is planned for the next 5 years to promote 100 weekly haats in select cities.

### **6. Rooftop Solar scheme launched**

The Rooftop Solar scheme has been launched to enable 1 crore households to get up to 300 units of free electricity every month. The scheme has seen 1.8 crore registrations and 14 lakh applicants.

### **7. NPS for minors**

The NPS Vatsalya programme is made available for parents to invest in on behalf of their children. The account may be passed to the child after they reach adulthood.

### **8. Major Investments in Power, Infrastructure, and Irrigation Projects for Bihar and Andhra Pradesh**



Power projects including setting up of a new 2400 MW power plant at Pirpainti will be taken up at the cost of Rs 21,400 crores. New airports, medical colleges and sports infrastructure in Bihar will be constructed. The requests of Bihar Govt for external assistance from multilateral development banks will be expedited. In the current FY, Rs 15,000 crore will be arranged with additional amounts in future years. Our govt is fully committed to the early completion and financing of the Polavaram irrigation project which is the lifeline for Andhra Pradesh and its farmers.

#### **9. Energy security and PM Surya Ghar Muft Bijli Yojana**

The focus on energy security, announcing that a policy document on energy transition pathways will be released, emphasizing employment and sustainability. The PM Surya Ghar Muft Bijli Yojana has been launched to install rooftop solar plants, providing free electricity up to 300 units per month to 1 crore households. The initiative has already seen 1.28 crore registrations and 14 lakh applications, which is a remarkable achievement.

#### **10. PM Gram Sadak Yojana phase 4 to provide all-weather roads to 25,000 rural habitats**

Phase 4 of the PM Gram Sadak Yojana will be launched to provide all-weather roads to 25,000 rural habitats.

#### **11. Flood Mitigation Scheme**

The government will provide financial support with an estimated cost of Rs 11,500 crore to Bihar. Uttarakhand, Sikkim, Assam and Himachal Pradesh will also be provided assistance.

#### **12. Andhra gets financing for Pollavaram project**

Government is committed to financing and completing the Pollavaram irrigation project, which is considered the lifeline for Andhra Pradesh and its farmers. Additional allocations will be provided this year to support capital investment for economic growth.

### **NEXT-GEN REFORMS**

#### **1. Space economy in focus**

In order to formulate an economic policy framework to delineate the strategy for sustaining high growth with next generation reforms there will be a continued emphasis on expanding the space economy by five times over the next 10 years. To support this goal, a venture



capital fund of Rs 1,000 crore will be established. These reforms will cover all factors of production, including land, labour and capital and will require collaboration of the Centre and States.

## **2. IBC in focus**

An integrated tech platform will be set up to improve outcomes under the Insolvency and Bankruptcy Code (IBC). This platform aims to achieve greater consistency, transparency, and better oversight for all stakeholders, including the National Company Law Tribunal (NCLT). The IBC has resolved over 1,000 companies, resulting in a direct recovery of ₹3.3 lakh crore to creditors. Additionally, 28,000 cases involving over ₹10 lakh crore have been disposed of prior to admission

## **3. Land-related reforms**

- The Budget proposes to earmark a significant part of the 50-year interest-free loan, to work with the States on following reforms - Land related reforms in both urban and rural areas, that cover land administration, planning and urban planning and building bye-laws. Rural land-related actions will include assignment of a unique Aadhaar for all lands, digitization of terrestrial maps, survey of lands, and establishment of land registry.
- Open architecture databases for the widely changing job market and connecting potential employees with industry will be covered. Shram Suvidha and Samadhan portal will be revamped to enhance ease of compliance for industry and trade.

# **TAX**

## **1. Fiscal deficit is estimated at 4.9% of GDP:**

The net tax receipts are estimated at INR 25.83 lakh crore, and the fiscal deficit is estimated at 4.9% of GDP for this year. The gross and net market borrowings through dated securities are estimated at INR 14.01 lakh crore and the INR 11.63 lakh crore, respectively, lower than last year. The government is committed to stay the course on fiscal consolidation, with deficit at below 4.5% of GDP in 2025-26, and with sustained reductions thereafter.

## **2. Three medicines fully exempted from custom duty for cancer patients**





To provide relief to cancer patients, three more medicines will be fully exempted from customs duty. Furthermore, changes in the basic customs duty on X-ray tubes and flat panel detectors for domestic X-ray machines' production.

### **3. Angel Tax for investors abolished**

To bolster the Indian startup ecosystem, the Angel Tax is abolished for all classes of investors.

### **4. Budget proposes review of Income Tax Act of 1961 in six months**

58% of corporate tax came from the simplified tax regime in 2022-23 and more than 2/3rd of taxpayers used the new personal tax regime last year. Budget proposes to review the Income Tax Act of 1961 to reduce litigation, in six months. A beginning is being made in the Finance Bill by easing the tax regime for charities. Two tax exemption regimes for charities are proposed to be merged into one.

### **5. Decriminalizes delays in payments of TDS up to their filing due date**

The TDS rate on e-commerce operators is to be reduced from 1% to 0.1%. Decriminalize delays in payments of TDS up to their filing due date. Simplification of reassessment and reopening of returns. Now this can be done after three years only if the income involved is INR 50 lakh or more, with a time limit of six years.

### **6. Capital gains**

The capital gains taxation is proposed to be hugely simplified. The long-term capital gains tax (LTCG) on all financial and non-financial to 12.5% from the current 10%. On the other hand, short-term capital gains tax (STCG) on some assets also increased to 20%. Further, the exemption limit for long-term capital gains tax has been increased to Rs 1.25 lakh from Rs 1 lakh.

### **7. Securities Transaction Tax on Futures and Options contracts is to be increased**

Securities Transaction Tax on Futures and Options contracts is to be increased to 0.2% and 0.1%, respectively. Income received on buyback of shares to be taxed in the hands of the recipient. Tax deduction on NPS contributions to be raised from 10% of salary to 14% of salary. This will cover government employees as well as private companies in the NPS.

### **8. Personal Income Tax**



For those opting for the new tax regime, the standard deduction for salaried employees to be increased from INR 50,000 to INR 75,000. Similarly, deduction for family pension for pensioners to be enhanced from INR 15,000 to INR 25,000. This will provide relief to about 4 crore salaried and pensioner individuals.

**In new tax regime, tax rate structure to be revised**

Amount (in INR)	Tax rate
0-3 Lakhs	0
3- 7 Lakhs	5%
7-10 Lakhs	10%
10-12 Lakhs	15%
12-15 Lakhs	20%
15 Lakhs & above	30%

**9. FDI rules to be simplified further**

The rules and recognition for Foreign Direct Investments (FDIs) will be simplified to facilitate their inflow. This move aims to prioritize and promote the use of the Rupee for overseas investments.

**10. On GST, govts says to rationalize the tax structure**

GST has significantly reduced tax incidents for the common man and eased compliance for industry, marking a success of vast proportions. To further enhance the benefits of GST, we will strive to rationalize the tax structure.

**11. Govt cuts duty on mobiles and accessories to 15 percent**

Indian mobile industry has matured and proposed to reduce the Basic Customs Duty (BCD) on mobile phones, mobile PCDA (Printed Circuit Design Assembly), and mobile charges to 15%.

**12. Customs duty on Lithium, gold and silver to be reduced**

To enhance domestic value addition, the customs duty on gold and silver will be reduced to 6%, while the duty on platinum will be lowered to 6.4%.



## RESEARCH AND DEVELOPMENT

### **Government pushes for private-driven research at commercial scale**

A mechanism will be established to spur private-driven research on a commercial scale, supported by a financial pool of Rs 1 lakh crore.

## TOURISM

### **World-Class Tourism Corridors and Comprehensive Development Plans for Bihar and Odisha**

- Vishnupath temple at Gaya, and Mahabodhi temple in Bodhgaya, are of immense spiritual importance, thus to make them a world-class tourist destinations corridors will be build there, on the model of the successful Kashi Vishwanath corridor.
- Furthermore, comprehensive development initiative for Rajgir and Nalanda (in Bihar) will be pursued.
- Tourism in Odisha will be supported that has scenic beauty, temples, craftsmanship, natural landscapes, wildlife sanctuaries and pristine beaches.

## MISCELLANEOUS

### **1. High stamp duty may be moderated**

States charging high stamp duty will be encouraged to moderate their rates for all. Additionally, further reductions in duties for properties purchased by women will be considered. These measures will also be incorporated as essential components of urban development schemes.

### **2. Other major proposals in the Finance Bill**

Other major proposals in the Finance Bill relate to withdrawal of an equalization levy of 2%, expansion of tax benefits to certain funds and entities in the IFSC, and changes to the Benami Transaction Act enforcement.

### **3. Critical mineral mission**



A critical mineral will be mission set up for the recycling of critical minerals and their overseas acquisitions. The government will launch the auction of the first tranche of Offshore blocks for mining, building on the exploration already carried out.

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