



INTERIM BUDGET 2024

FINANCE BILL 2024

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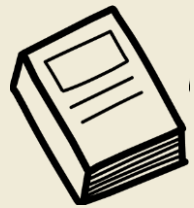
STATE OF ECONOMY



FINANCE BILL

2024

State of Economy



Hon'ble Finance Minister Nirmala Sitharaman delivered the Economic Survey in parliament on 1st of February, 2024.



The esteemed Finance Minister envisions a budget that fosters a prosperous Bharat, characterized by a harmonious coexistence with nature, advanced infrastructure, and abundant opportunities for all



In this budget the Hon'ble Finance Minister introduced the Development Mantra which is “**Sabka Saath, Sabka Vikas, Sabka Vishwas and Sabka Prayas**” that helps to make India as a Developed Country by the Year 2047.

State of Economy

GDP Growth

- India's real GDP Growth :

Financial Year	Real GDP Growth Rate
2022-23	7.0%
2023-24	7.3%
2024-25 (Projected)	10.0% - 10.5%

- Net tax revenue is likely to exceed budget estimates by ₹ 80,000 crore in current fiscal, while non tax revenue is also expected to exceed budget estimates by ₹ 50,000 crore

Capital Investment Outlay on Infrastructure

- The 'Effective Capital Expenditure' of the Centre is budgeted at ₹ 13.7 lakh crore which will be 4.5 per cent of GDP.
- The union government will provide ₹ 75,000 crore at 50-year interest free loan to states. FDI inflows from 2014-2023 were at \$ 596 billion.

Other Aspects

- Direct benefit transfer of ₹ 34 lakh crore from the government using PM Jan Dhan Account led to savings of ₹ 2.7 lakh crore for the government.
- With the pursuit of Sab ka Saath, the government has helped alleviate 25 crore people from multidimensional poverty.
- In Addition to this government has also sanctioned ₹ 43 cr loans under PM Mudra Yojana for entrepreneur, out of this ₹ 30 cr has been disbursed to women entrepreneurs.
- For the farmers under the scheme of Annadata direct financial assistance has been provided to 11.8 Crore farmers under PM kisan and also crop insurance has been provided to 4 Crore farmers under PM Fasal Bima Yojana.
- For Rooftop Solarization 1 cr households would be provided with 300 units of free electricity every month.

Other Aspects

- The Pradhan Mantri Awas Yojana (Grameen) close to achieving target of 3 crore houses, additional 2 crore targeted for next 5 years and additionally Housing for Middle Class scheme to be launched to promote middle class to buy/built their own houses. The allocation under PMAY is increased from ₹ 80,671 crore to ₹ 79,590 crore from last year.
- To encourage Research & Innovation the central government has ₹ 1 lakh crore corpus fund which would offer 50-year interest free or low interest loan and allow financing & re-financing at long tenures.

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DIRECT TAXATION PROPOSALS

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DIRECT TAX



Direct Taxation Proposals

Direct Tax Highlights

- New tax regime for Individual and HUF will be default regime. However, the assessee will continue to have the option to avail the benefit of old tax regime.
- Hon'ble Finance Minister Proposed withdrawal of outstanding direct tax demand:
 - a) Upto ₹ 25,000 pertaining upto FY 2009-10
&
 - b) Upto ₹ 10,000 for FY 2010-11 to FY 2014-15
- Certain **tax benefits** to start-ups and investments made by sovereign wealth funds/pension funds, tax exemption of some IFSC units earlier expiring on 31.03.2024 **extended** upto 31.03.2025
- Proposed that businesses with turnover **upto ₹ 3 crore can opt for presumptive taxation scheme.** (Section 44AD)

Direct Taxation Proposals

- Amendment in Tax Collected at Source (TCS) rate on Liberalised Remittance Scheme (LRS):

Nature of Payment	Earlier rate before Finance Act,2023	New rate w.e.f. 1 st July, 2023
LRS for education, financed by loan from financial institution	Nil - upto ₹ 7 lakhs 0.5% - above ₹ 7 lakhs	Nil - upto ₹ 7 lakhs 0.5% - above ₹ 7 lakhs
LRS for Medical treatment/ education (other than financed by loan)	Nil - upto ₹ 7 lakhs 5% - above ₹ 7 lakhs	Nil - upto ₹ 7 lakhs 5% - above ₹ 7 lakhs
LRS for other purposes*	Nil - upto ₹ 7 lakhs 50%- above ₹ 7 lakhs	Nil - upto ₹ 7 lakhs 20% - above ₹ 7 lakhs
Purchase of Overseas tour program package	5% (without threshold)	5% - till ₹ 7 lakhs, 20% - thereafter

* W.e.f .1st October, 2023

Direct Taxation Proposals

Proposed Amendments U/S 92CA, 144C, 253 & 255

It is hereby proposed to extend the time limit for the issuance of directives by the Central Board of Direct Taxes (CBDT) for the implementation of the faceless regime in the manner described below

Section	Particulars	Erstwhile last date for issue	Proposed new date for issue
92CA	Faceless determination of arm's length price	31-03-2024	31-03-2025
144C	Faceless Dispute Resolution Panel	31-03-2024	31-03-2025
253	Faceless appeal to Appellate Tribunal	31-03-2024	31-03-2025
255	Faceless procedure of Appellate Tribunal	31-03-2024	31-03-2025

Direct Taxation Proposals

Personal Tax rates (Individuals & HUF): Old Tax Regime

TOTAL INCOME	EXISTING			PROPOSED
	Individual & HUF (%)	Resident Individual of Age 60 – 80 years (%)	Resident Individual of Age 80 years (%)	NO CHANGE
Up to ₹ 2,50,000	Nil	Nil	Nil	
₹ 2,50,001 to ₹3,00,000	5	Nil	Nil	
₹ 3,00,001 to ₹5,00,000	5	5	Nil	
₹ 5,00,001 to ₹10,00,000	20	20	20	
₹ 10,00,001 & Above	30	30	30	

- Rebate: Upto ₹ 12,500 for Taxpayer having Total Income upto ₹ 5 Lakhs (i.e. No Tax for Total Income upto ₹ 5 Lakhs.)

Direct Taxation Proposals

Personal Tax rates (Individuals & HUF): New Tax Regime

TOTAL INCOME	EXISTING			PROPOSED
	Individual & HUF	Individual of age 60 – 80 years	Individual of age 80 years or more	NO CHANGE
Up to ₹ 3,00,000	Nil	Nil	Nil	
₹ 3,00,001 to ₹ 6,00,000	5	5	5	
₹ 6,00,001 to ₹ 9,00,000	10	10	10	
₹ 9,00,001 to ₹ 12,00,000	15	15	15	
₹ 12,00,001 to ₹ 15,00,000	20	20	20	
₹ 15,00,001 & Above	30	30	30	

- Rebate: Upto ₹ 25,000 for Taxpayer having Total Income upto ₹ 7 Lakhs (i.e. No Tax for Total Income upto ₹ 7 Lakhs.)

Direct Taxation Proposals

Personal Tax rates (Individuals & HUF) : Surcharge

SURCHARGE - EXISTING			PROPOSED
Total Income Exceeding	Old Tax Regime (%)	New Tax Regime (%)	NO CHANGE
₹ 50,00,001 to ₹ 1,00,00,000	10	10	
₹ 1,00,00,001 to ₹ 2,00,00,000	15	15	
₹ 2,00,00,001 to ₹ 5,00,00,000	25	25	
₹ 5,00,00,001 & Above	37	25	
Health & Education Cess	4	4	

Note: 25% and 37% surcharge on income tax is not levied from taxable income under Section 111A, 112A and 115AD of the Income Tax Act, 1961. In such cases, the surcharge on income tax is 15%. However, there is marginal relief available in certain cases on surcharge of income tax.

Direct Taxation Proposals

Corporate Tax rates (For Domestic Companies)

PARTICULARS	EXISTING				PROPOSED
	Old Tax Regime (%)		New Tax Regime (%)		NO CHANGE
	T/O of FY 2021- 22		No T/O Criteria		
	≤ ₹ 400 Cr	> ₹ 400 Cr	Others	New Manufacturing	
Basic	25	30	22	15	
Surcharge					NO CHANGE
Up to ₹ 1 Crore	Nil	Nil	10	10	
> ₹ 1Crore and ≤ ₹ 10 Crore	7	7	10	10	
> ₹ 10 Crore	12	12	10	10	
Health & Education Cess	4	4	4	4	
Effective tax Rate (Including Surcharge & Health & Education Cess)					
< ₹ 1 Crore	26	31.2	25.17	17.16	
> ₹ 1Crore and ≤ ₹ 10 Crore	27.82	33.38	25.17	17.16	
> ₹ 10 Crore	29.12	34.94	25.17	17.16	

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INDIRECT TAXATION PROPOSALS



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Indirect Tax Proposals – GST & Customs

Amendment in Definition of Input Service Distributer - Section 2 (61)

- Existing Definition

"Input Service Distributor" means an office of the supplier of goods or services or both which receives tax invoices issued under **Section 31** towards the receipt of input services and issues a prescribed document for the purposes of distributing the credit of central tax, State tax, integrated tax or Union territory tax paid on the said services to a supplier of taxable goods or services or both having the same Permanent Account Number as that of the said office.

- Proposed Definition

"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 (services liable to reverse charge), 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**

Indirect Tax Proposals – GST & Customs

Insertion of section 122A of the CGST Act :

Penalty for failure to register certain machines used in manufacture of goods as per special procedure

1. 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 (notified u/s 148) acts in contravention of the said special procedure, 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 ₹ 1 lakh for every machine not so registered.**
2. In addition to the penalty under sub-section (1), every machine not so registered shall be liable for seizure & confiscation:
Provided that such machine shall not be confiscated where –
 - (a) the penalty so imposed is paid, &
 - (b) the registration of such machine is made in accordance with the special procedure within 3 days of the receipt of communication of the order of penalty.

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OTHER KEY MATTERS



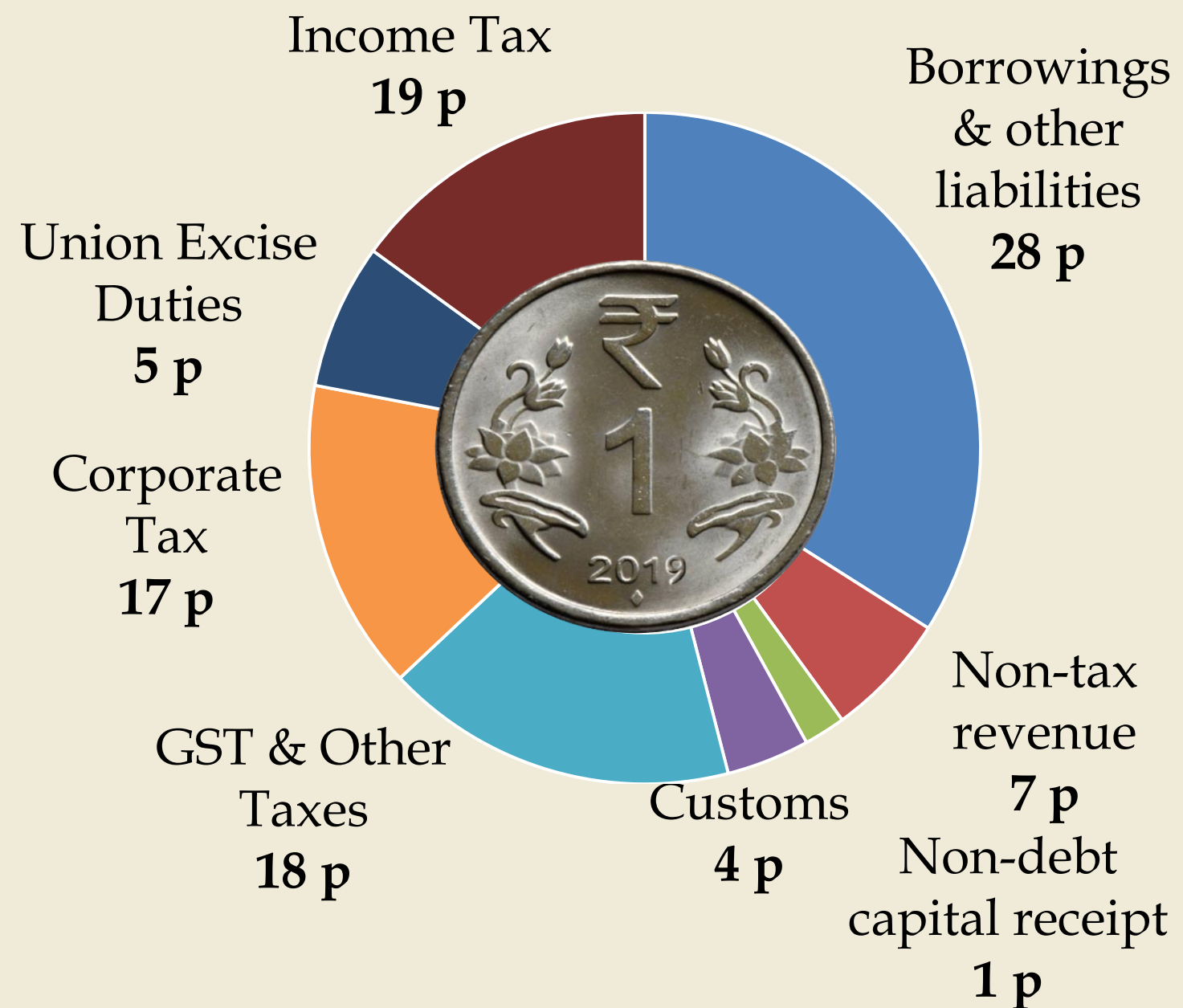
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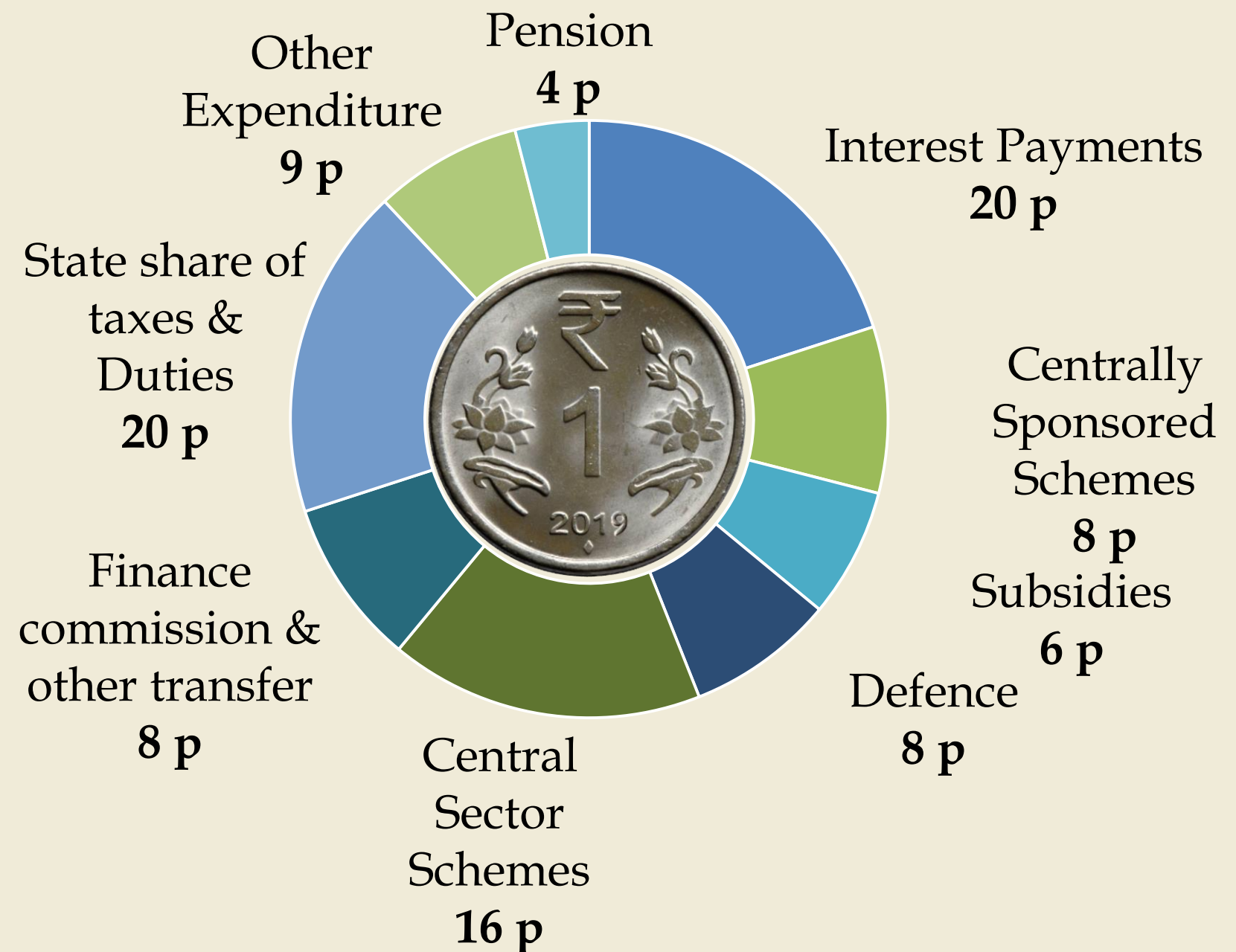
Other Key Matters

Cash Flow

Government earns every rupee from:



Government spends every rupee on:



Other Key Matters

MSME

- Credit Guaranteed plan was revamped from 1st April, 2023
- It is expected to boost fund flow to the distressed and fund-starved MSME sector.
- Credit Guarantee Scheme for MSMEs will be extended with an infusion of ₹ 9,000 crores
- New Scheme to cut Interest on MSME Loans by 1%
- This budget will enable collateral for ₹ 2 Lakh crore loans to MSMEs

Other Key Matters

Green Growth

- **Green Credit Programme** to be launched to incentivize sustainable actions
- **PM-PRANAM** to be launched to incentivize States/UTs to promote alternative fertilizers
- 500 new “Waste to Wealth” plants to be established under **GOBARadhan Scheme**
- **MISHTI[^]** to be taken up for Mangrove plantation along coastline
- **Amrit Dharohar** to be implemented over next 3 years for optimal usage of wetlands

Education & Skilling

- Enhanced Education Expenditure: **2.9%** of GDP in FY 2023-24
- Revamped Teachers' training via District Institutes of Education and Training
- **National Digital Library** to be set up for children and adolescents
- States will be encouraged to set up physical libraries at Panchayat and ward levels
- **PMKVY 4.0** to be launched to skill lakhs of youth

Agriculture

- More Credit to Agriculture Sector: ₹ 186 Lakh Crs in FY 22-23
- **Agriculture Accelerator Fund** to encourage Start-ups in rural areas.
- **Atmanirbhar Bharat Horticulture Clean Plant Program** to boost production of high value horticulture crops.
- ₹ 20 Lakh Crs credit for Animal Husbandry, Dairy and Fisheries sector.
- Additional storage capacity for farm produce.
- Support to making India a Global Hub for Millets: ‘**Shree Anna**’
- PM Matsya Sampada Yojana with targeted investment of ₹ 6,000 crores to further enable activities of fishermen, fish vendors, and micro& small enterprises, improve value chain efficiencies, and expand the market.

Healthcare

- Enhanced Health Expenditure: 2.1% of GDP in FY 2023-24.
- **Sickle Cell Anaemia elimination Mission** to be launched.
- **157** New Nursing Colleges to be established.
- Joint Public & Private Medical Research to be encouraged via select ICMR labs
- New Programme to promote research in Pharmaceuticals to be launched.



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Thank you



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2024-25**