

Special focus on these 9 areas of the budget

Priority 1: Productivity and resilience in Agriculture

- A provision of ₹ 1.52 lakh crore for agriculture and allied sector has been made in this budget.
- New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
- **In the next 2 years, 1 crore farmers across the country will be initiated into natural farming supported by certification and branding & 10,000 need-based bio-input resource centres will be established.**
- Large scale clusters for vegetable production will be developed closer to major consumption centres.
- The Govt will facilitate the implementation of the Digital Public Infrastructure(DPI) in agriculture for coverage of farmers and their lands in 3 years.

Priority 2: Employment & Skilling

PM Employment Linked Incentive Package

- Govt will implement following **schemes for 'Employment Linked Incentive', as part of the Prime Minister's package.**
 - 1. Scheme A: First Timers**
 - This scheme will provide 1-month wage to all persons newly entering the workforce in all formal sectors.
 - The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO, will be up to ₹ 15,000. The eligibility limit will be a salary of ₹ 1 lakh per month. The scheme is expected to benefit 210 lakh youth.
 - 2. Scheme B: Job Creation in manufacturing**
 - This scheme will incentivize additional employment in the manufacturing sector, linked to the employment of first-time employees.

- An incentive will be provided at specified scale directly both to the employee and the employer with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment, and their employers.

3. Scheme C: Support to employers

- This employer-focussed scheme will cover additional employment in all sectors. All additional employment within a salary of ₹ 1 lakh per month will be counted.
 - The government will reimburse to employers up to ₹ 3,000 per month for 2 years towards their EPFO contribution for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

4. Skilling programme

- **The 4th scheme under the Prime Minister's package, for skilling in collaboration with state governments and Industry.** 20 lakh youth will be skilled over a 5-year period.
 - 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.

5. Internship in Top Companies

- 5th scheme under the Prime Minister's package, government will launch a **comprehensive scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years.**
 - Interns will gain exposure for 12 months to real-life business environment, varied professions and employment opportunities. An internship allowance of ₹ 5,000 per month along with one-time assistance of ₹ 6,000 will be provided. Companies will be expected to bear the training cost and 10 % of the internship cost from their CSR funds.
- **The Model Skill Loan Scheme** will be revised to facilitate loans up to ₹ 7.5 lakh with a guarantee from a government promoted Fund. This measure is expected to help 25,000 students every year.
- For helping our youth who have not been benefitted under any government initiatives, financial support for loans upto ₹ 10 lakh for higher education in domestic institutions.
 - E-vouchers for this purpose will be given directly to 1 lakh students every year for annual interest subvention of 3 % of the loan amount.

Priority 3: Inclusive Human Resource Development and Social Justice

- The states in the Eastern part of the country are rich in endowments and have strong cultural traditions. **The Govt will formulate a plan, Purvodaya, for the all-round development of the eastern region of the country** covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh.
- Govt will also support development of road connectivity projects, namely (1) Patna-Purnea Expressway, (2) Buxar-Bhagalpur Expressway, (3) Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and (4) additional 2-lane bridge over river Ganga at Buxar at a total cost of ₹ 26,000 crore.
 - Power projects, including setting up of a new 2400 MW power plant at Pirpainti, will be taken up at a cost of ₹ 21,400 crore. New airports, medical colleges and sports infrastructure in Bihar will be constructed.
- Recognizing Andhra Pradesh's need for a capital, **Govt will facilitate special financial support through multilateral development agencies. In the current financial year ₹ 15,000 crore will be arranged.**
- 3 crore additional houses under the PM Awas Yojana in rural and urban areas in the country have been announced, for which the necessary allocations are being made.
- **For promoting women-led development, the budget carries an allocation of more than ₹ 3 lakh crore for schemes benefitting women and girls.**
- For improving the socio-economic condition of tribal communities, we will launch the PM Janjatiya Unnat Gram Abhiyan by adopting saturation coverage in tribal-majority villages and aspirational districts. This will cover 63,000 villages benefitting 5 crore tribal people.
- **More than 100 branches of India Post Payment Bank will be set up in the North East region to expand the banking services.**
- This year, a **provision of ₹ 2.66 lakh crore for rural development including rural infrastructure has been made.**

Priority 4: Manufacturing & Services

- **For facilitating term loans to MSMEs** for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced which will operate on pooling of credit risks of such MSMEs.
 - **A separately constituted self-financing guarantee fund will provide, to each applicant, guarantee cover up to ₹ 100 crore.**
- **The limit of Mudra loans will be enhanced to ₹ 20 lakh from the current ₹ 10 lakh for those entrepreneurs** who have availed and successfully repaid previous loans under the ‘Tarun’ category.
- **For facilitating MSMEs to unlock their working capital by converting their trade receivables into cash, the turnover threshold of buyers for mandatory onboarding on the TReDS platform will be reduced from ₹ 500 crore to ₹ 250 crore.**
 - This measure will bring 22 more CPSEs and 7000 more companies onto the platform. Medium enterprises will also be included in the scope of the suppliers.
- Govt will facilitate development of investment-ready “**plug and play**” industrial parks with complete infrastructure in or near **100 cities**.
- **12 industrial parks** under the National Industrial Corridor Development Programme also **will be sanctioned**.

Priority 5: Urban Development

- Govt will facilitate development of ‘**Cities as Growth Hubs**’. This will be achieved through economic and transit planning, and orderly development of peri-urban areas utilising town planning schemes.
- **Transit Oriented Development plans for 14 large cities with a population above 30 lakh** will be formulated.
- **Under the PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹ 10 lakh crore.**
 - This will include the central assistance of ₹ 2.2 lakh crore in the next 5 years. A provision of interest subsidy to facilitate loans at affordable rates is also envisaged.

Priority 6: Energy Security

- Nuclear energy is expected to form a very significant part of the energy mix for Viksit Bharat. Towards that pursuit, Govt will partner with the private sector for –
 - Setting up Bharat Small Reactors
 - Research & development of Bharat Small Modular Reactor,
 - Research & development of newer technologies for nuclear energy. The R&D funding announced in the interim budget will be made available for this sector.
- A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial plant using AUSC technology. The government will provide the required fiscal support.

Priority 7: Infrastructure

- **Phase IV of PMGSY will be launched to provide all-weather connectivity to 25,000 rural habitations which have become eligible** in view of their population increase.
- **A provision of ₹ 1.5 lakh crore for long-term interest free loans has been made this year** also to support the states in their resource allocation.

Priority 8: Innovation, Research & Development

- Govt will operationalize the Anusandhan National Research Fund for basic research and prototype development.
 - Further, **Govt will set up a mechanism for spurring private sector-driven research and innovation at commercial scale with a financing pool of ₹ 1 lakh crore** in line with the announcement in the interim budget.
- With our continued **emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of ₹ 1,000 crore will be set up.**

Priority 9: Next Generation Reforms

- States will be incentivized for Land-related reforms and actions within the next 3 years through appropriate fiscal support
- **Land-related reforms and actions in Rural areas to cover land administration & planning. In Urban areas, it will cover urban planning, usage and building bylaws.**
- Rural land related actions will include ULPIN or Bhu-Aadhaar for all lands, digitization of cadastral maps, survey of map sub-divisions as per current ownership, establishment of land registry, and linking to the farmers registry. These actions will facilitate credit flow & other agri services
- **Land records in urban areas will be digitized with GIS mapping.** An IT based system for property record and tax administration will be established. It will improve the financial position of Urban Local Bodies.

Part B

Indirect Taxes

- GST has decreased tax incidence on the common man; reduced compliance burden and logistics cost for trade and industry; and enhanced revenues of the central and state governments. It is a success of vast proportions. To multiply the benefits of GST, we will strive to further simplify and rationalise the tax structure and endeavour to expand it to the remaining sectors.

Sector specific customs duty

- In the interest of consumers, **Basic Custom Duty (BCD) on mobile phone, mobile PCBA and mobile charger to 15%.**
- **Customs duties on 25 critical minerals** for sectors like nuclear energy, renewable energy, space, defence, telecommunications, and high-tech electronics **are made fully exempt and reduce BCD on two of them.** This will provide a major fillip to the processing and refining of such minerals and help secure their availability for these strategic and important sectors.
- **BCD on certain broodstock, polychaete worms, shrimp and fish feed has been reduced to 5 %.** Customs duty on various inputs for manufacture of shrimp and fish feed has been exempted.
- To enhance the competitiveness of exports in the leather and textile sectors, **BCD on real down filling material from duck or goose has been reduced.**

- To enhance domestic value addition in gold and precious metal jewellery in the country **customs duties on gold and silver has been reduced to 6% and that on platinum to 6.4%.**
- **To reduce the cost of production of steel and copper BCD on ferro nickel and blister copper has been removed.**
- **To increase value addition in the domestic electronics industry, BCD on oxygen free copper for manufacture of resistors has been removed.**
- To support existing and new capacities in the pipeline, **BCD on ammonium nitrate has been reduced from 7.5 to 10 %.**
- To promote domestic aviation and boat & ship MRO, the period for export of goods imported for repairs has been extended from 6 months to 1 year.

Direct Taxes

- We will continue our efforts to simplify taxes, improve tax payer services, provide tax certainty and reduce litigation while enhancing revenues for funding the development and welfare schemes of the government.
- This has been appreciated by tax payers. **58 % of corporate tax came from the simplified tax regime in financial year 2022-23.** Similarly, as per data available till now for the last fiscal, **more than two-thirds have availed the new personal income tax regime.**
- A comprehensive review of the Income-tax Act, 1961 has been announced. The purpose is to make the Act concise, lucid, easy to read and understand. This will reduce disputes and litigation, thereby providing tax certainty to the tax payers. It will also bring down the demand embroiled in litigation. It is proposed to be completed in six months.
- **The two tax exemption regimes for charities are proposed to be merged into one. The 5 % TDS rate on many payments is being merged into the 2 % TDS rate and the 20 % TDS rate on repurchase of units by mutual funds or UTI is being withdrawn.**
- TDS rate on e-commerce operators is proposed to be reduced from 1 to 0.1 %. Moreover, credit of TCS is proposed to be given in the TDS to be deducted on salary
- The provisions for reopening and reassessment has been simplified. **An assessment hereinafter can be reopened beyond 3 years from the end of the assessment year only if the escaped income is ₹ 50 lakh or more, up to a maximum period of 5 years from the end of the assessment year.**

- **Even in search cases, a time limit of 6 years before the year of search, as against the existing time limit of 10 years, is proposed.** This will reduce tax-uncertainty and disputes.
- All the major tax payer services under GST and most services under Customs and Income Tax have been digitalised.
 - All remaining services of Customs and Income Tax including rectification and order giving effect to appellate orders shall be digitalized and made paper-less over the next 2 years.
- **For resolution of certain income tax disputes pending in appeal, Vivad Se Vishwas Scheme, 2024 has been announced.**
- Monetary limits for filing appeals related to direct taxes, excise and service tax in the Tax Tribunals, High Courts and Supreme Court has been increased to ₹ 60 lakh, ₹ 2 crore and ₹ 5 crore respectively.
- With a view to reduce litigation and provide certainty in international taxation, scope of safe harbour rules will be expanded and make them more attractive.
- **To bolster the Indian start-up eco-system, boost the entrepreneurial spirit and support innovation, the so-called angel tax for all classes of investors has been abolished.**
- To improve social security benefits, **deduction of expenditure by employers towards NPS is proposed to be increased from 10 to 14 % of the employee's salary.**
 - Similarly, deduction of this expenditure up to 14 % of salary from the income of employees in private sector, public sector banks and undertakings, opting for the new tax regime, is proposed to be provided.
- Indian professionals working in multinationals get ESOPs and invest in social security schemes and other movable assets abroad.
 - Non-reporting of such small foreign assets has penal consequences under the Black Money Act. **Such non-reporting of movable assets up to ₹ 20 lakh is proposed to be de-penalised.**

Personal Income Tax

- **Under the new tax regime. the standard deduction for salaried employees is proposed to be increased from ₹50,000/- to ₹75,000/-.**
 - Similarly, deduction on family pension for pensioners is proposed to be enhanced from ₹ 15,000/- to ₹ 25,000/-. This will provide relief to about 4 crore salaried individuals and pensioners.

- In the new tax regime, the tax rate structure is proposed to be revised, as follows:

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

- **As a result of these changes, a salaried employee in the new tax regime stands to save up to ₹ 17,500/- in income tax.**

Thanks



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