

| India Interim Budget -2024-25 | Key Highlights



| Foreword |

Viksit Bharat or Developed Bharat by 2047 is the vision of Indian Government aimed at attaining USD \$ 26 Trillion GDP. This is not a mere statement, but a well laid out plan with clear cut goals of making India a technology driven and knowledge base economy with strong financial credentials. India has remained a bright spot in the global economy with a 7% + growth estimate in FY24.

Being an election year, the expectations were high on FM to reduce the Tax Rates and increase the deductions available for tax savings schemes. It was a disappointment to the eager tax payers to hear that the tax rates were left unchanged. However, a small relief was given by way of withdrawal of demands in certain cases.

Focus in the current budget has been given to strengthening India's infrastructure with a 10% boost to government capex taking the figure to all time high of INR 11 Trillion while being mindful on the fiscal consolidation with a lower fiscal deficit target of 5.1%.

With robust rise in tax collection (Income Tax+GST), falling NPAs , falling inflation and decline in unemployment rates; India today is in a sweet spot. India's economy held relatively well in FY24 compared to other major economies driven by strong investment growth and a rebound in industrial activity, however India's resilience will be tested with challenges from global supply chain disruptions, geopolitical tensions, funding winter, layoffs in tech companies & startups and of course the election results.

| Key Figures |

Figures in ₹ lakh crores.

Overview	FY22	FY23	FY24 [E]	FY25 [E]
India's total Expenditure	38	42	45	48
India's total Revenues	22	24	26	30
India's Fiscal Deficit	16	17	18	17
Deficit as a % of GDP	6.70%	6.40%	5.90%	5.10%

Macros	FY22	FY23	FY24 [E]	FY25 [E]
GDP Growth %	8.70%	7.00%	7.30%	7.00%
India's Forex Reserves (USD Billions)	\$ 607B	\$ 563B	\$ 620B	-
India's CPI Inflation %	5.50%	6.70%	5.50%	4.50%
India's Govt. Capital Exp (₹ in lakh crore)	5.90	7.30	9.50	11.00

Sectoral Growth Rate	FY22	FY23	FY24 [E]
Industrial Growth	11.60%	4.40%	7.90%
Services Growth	8.80%	9.50%	7.70%
Agriculture & allied	3.50%	4.00%	1.80%

| Direct Taxes |

A. Individual Slab rates at a glance

Individual Taxation Status	Old Regime	New Regime
Up to 2,50,000	Nil	Nil
2,50,001–3,00,000	5%	Nil
3,00,001–5,00,000	5%	5%
5,00,001–6,00,000	20%	5%
6,00,001–7,50,000	20%	10%
7,50,001–9,00,000	20%	10%
9,00,001–10,00,000	20%	15%
10,00,001–12,00,000	30%	15%
12,00,001–12,50,000	30%	20%
12,50,001–15,00,000	30%	20%
Above 15,00,000	30%	30%

B. No Changes were proposed for Corporate Taxes

C. Other noteworthy Changes

- Proposal to withdraw demands which have been outstanding for long periods within specified limits.
Demands Less than 25K upto 2009-10
Demands Less than 10K between 2010-11 ~2014-15
- Extension in dates for Start-ups and investment by sovereign wealth or pension funds to claim tax benefits. Extended from 31st March 2024 to 31st March 2025

| Indirect Taxes |

Noteworthy Changes in Goods & Services Tax (GST)

- As per the recommendations of GST Council it is proposed to make input service distributor (ISD) mandatory for distribution of Input Tax Credit in respect of input services procured by Head Office (HO) but attributable to both HO and branches. Till now this was an option given to the assesseees.
- It is proposed to make registration as ISD mandatory
- Manner, conditions and restrictions of distribution of such input tax credit will be prescribed.
- Proposal to amend Act to include ISD to distribute input tax credit which are liable to be paid under reverse charge mechanism.

- Proposal to implement special procedure for registration of certain machines used in manufacture of goods like pan masala, hookah, gutka, chewing tobacco etc.
- Monetary penalty of Rs. 1 Lakh to be charged on person contravening these procedures for every unregistered machine.
- Unregistered machines are subject to seizure and confiscation.

■ Customs Tariff

No changes were proposed on Customs Duties / Import duties.



#405, 7th Cross, IV Block, Koramangala,
Bangalore - 560 034
ph: 080 2553 4374
info@sharadasc.com



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