



 **FoxMandal**  
Solicitors & Advocates

# Interim Budget Highlights 2024

# Foreword



The Union Finance Minister, Smt. Nirmala Sitharaman, presented the Interim Budget 2024-25 today. As the Lok Sabha elections are scheduled to be held later this year, the full-fledged budget will be announced, presumably in July, after the new government is formed. Though the Minister maintained that there would be no major policy changes in the Interim Budget, stakeholders had kept at the edge of their seats and there were a few notable developments.

In her speech, the hon'ble Finance Minister highlighted the increase in FDI inflow, and referred to bilateral investment treaties currently in the works to showcase the Government's commitment to 'First Develop India'. Notably, the fiscal deficit is sought to be reduced to below 4.5% by 2025-26. To alleviate the grievances of honest taxpayers, it is suggested to withdraw outstanding direct tax demands up to Rs. 25,000 for the period up to FY 2009-10 and up to Rs. 10,000 for FY 2010-11 to FY 2014-15. Further, measures have been proposed to meet the country's net zero emission goals.

Our experts decode the Interim Budget proposals in this insightful guide, explaining what they mean for the common man and shedding light on the proposals' impact across sectors.

**Shuva Mandal**

**Chairman & Managing Partner**



# TAX PROPOSALS

## DIRECT TAX

- There is no change in personal income tax rates.
- The government has announced a waiver of tax arrears of Rs. 25,000 or less shown as outstanding in the records of the department and Rs. 10,000 shown as outstanding in the records of the department for FY 2010-11 and FY 2014-15.

### IMPACT

Individuals can continue with their adopted tax planning. This will result in tax stability and certainty. Also, it will lessen the administrative burden for not only taxpayers but also the department.

- There is no change in corporate income tax rates.

### IMPACT

Certain tax benefits to startups and investments made by sovereign wealth funds/pension funds, including the tax exemption of some IFSC units earlier expiring on March 31, 2024, are extended up to March 31, 2025.

### IMPACT

This measure benefits one crore taxpayers and this will help small and medium taxpayers get refunds on time without getting stuck on producing proof. All tax rates are retained to maintain continuity and stability in the tax regime.

## INDIRECT TAX - Goods & Service Tax

- There has been no change in rates. GST collection has increased over time i.e. ₹1,72,129 crore of gross GST revenue collected during January 2024, which is 10.4% year-on-year growth. This will stabilize and guarantee that public utilities get constant financing.
- The definition of Input Service Distributor is to be amended to include categories of goods and classes of persons liable to pay GST under the reverse charge mechanism. This expands the scope of GST levy in the hands of head offices of taxable persons procuring services for common utilisation of their units across the country.



# SECTOR HIGHLIGHTS

## REAL ESTATE

- Building on the massive tripling of the capital expenditure outlay in the past 4 years, resulting in a huge multiplier impact on economic growth and employment creation, the outlay for the next year is being increased by 11.1 percent to eleven lakh, eleven thousand, one hundred and eleven crore rupees (11,11,111 crore). This would be 3.4 percent of the GDP.
- Pradhan Mantri Awas Yojana PMAY (Grameen) is close to achieving its target of 3 crore houses, with an additional 2 crore targeted for the next 5 years.
- The Government of India will launch a scheme to help deserving sections of the middle class “living in rented houses, slums, chawls and unauthorized colonies” buy or build their own houses.
- Through the implementation of rooftop solarization, one crore households will have the opportunity to receive up to 300 units of complimentary electricity each month. Anticipated advantages of this scheme include:
  - Annual savings ranging from fifteen to eighteen thousand rupees for households, derived from the provision of free solar electricity and the potential sale of surplus power to distribution companies.
  - Facilitation of electric vehicle charging.
  - Creation of entrepreneurship prospects for numerous vendors engaged in the supply and installation of solar panels.
  - Generation of employment opportunities for young individuals possessing technical skills in the fields of manufacturing, installation, and maintenance.



# RENEWABLE ENERGY

---

- Approval for viability gap funding for harnessing off-shore wind energy for an initial capacity of one gigawatt.
- Phased mandatory blending of compressed biogas (CBG) with compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes is to be mandated.
- Financial assistance is to be provided for the procurement of biomass aggregation machinery to support collection.
- Increased support for manufacturing and charging infrastructure for Electric Vehicles.
- Boost to domestic rooftop solarization, aimed at enabling 1,00,00,000 (One Crore) households to obtain up to 300 units of free electricity every month.

## IMPACT

The cumulative effect of all measures introduced is aimed at achieving 'net zero' by 2070, especially the macro proposals to address the high costs involved in setting up offshore wind energy farms and reducing reliance on imported natural gas and ammonia. On the domiciliary level, measures have been introduced to encourage the deployment of electric vehicles, including in public transportation with greater adoption of e-buses, and expanding roof-top solarization which is poised to provide cost-cutting at the household level as well as bring greater structural organization to the operation of DISCOMS.

# INFRASTRUCTURE

---

- Infrastructure spending for the year 2024 -25 is fixed at 3.4% of GDP.
- For the first time an Infrastructure Development Fund for Dairy Development has been introduced in the Interim Budget for the year 2024 – 25.
- The establishment of five Integrated Aqua Parks has been introduced for the first time in this Budget.
- Thrust has been given for the establishment of a high-Density Corridor for Energy/Mineral/Port etc.
- For the first time, the focus on the establishment of Tourism Infrastructure especially on Lakshadweep Island has been introduced which will lead to the implementation of a lot of Infrastructure Projects.
- The expansion of e-vehicle infrastructure has been given a boost in the Interim Budget.

# AUTOMOTIVE

---

The government stated its plans to:

- Expand and strengthen e-vehicle manufacturing and charging infrastructure.
- Adopt e-buses for transit and the same is to be encouraged through payment security mechanisms.

## IMPACT

Greater focus on the manufacture of e-vehicles and the development of wide charging infrastructure to reduce carbon footprints. This will also encourage the public to switch from ICE vehicles to e-vehicles.

# HEALTH

---

- The government aims to promote cervical cancer prevention by encouraging girls aged 9 to 14 years to undergo vaccination.
- A comprehensive program will integrate maternal and child health care, fostering synergy in implementation.
- The expedited rollout of the U-WIN platform for immunization management and intensified efforts of Mission Indradhanush are underway.
- Health care coverage under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY) will be extended to include all ASHA workers, Anganvadi workers, and helpers.

## IMPACT

This year's budget places a significant emphasis on the well-being of women, with a particular focus on healthcare initiatives tailored for the benefit of female children, mothers, and childcare. The recommended healthcare measures serve as compelling evidence of this commitment.

# EDUCATION

---

- Increase in PM-SHRI budget allocation from 4000 crores to 6050 crores.
- 1.4 crore youth trained under the Skill India Mission.
- Fostering entrepreneurial aspirations of Youth: 43 crore loans sanctioned under the PM Mudra Yojana.
- Numerous new institutions of higher learning, namely 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS and 390 universities have been set up.
- Thirty crore Mudra Yojana loans have been given to women entrepreneurs. Female enrolment in higher education has gone up by 28 percent in ten years. In STEM courses, girls and women constitute 43 percent of enrolment - one of the highest in the world.
- Set up more medical colleges by utilizing the existing hospital infrastructure under various departments. A committee for this purpose will be set up to examine the issues and make relevant recommendations.

## IMPACT

- The increased PM-SHRI budget allocation of 6050 crores signifies a commitment to education and skill development. With 1.4 crore youth trained under the Skill India Mission, there's a notable emphasis on enhancing employability.
- The significant expansion of higher education institutions fosters academic growth.
- The sanctioning of 30 crores by the Mudra Yojana loans, to women entrepreneurs, contributes to gender inclusivity in education and entrepreneurship.
- The focus on utilizing existing hospital infrastructure for new medical colleges showcases a holistic approach to education, thereby integrating academic pursuits with healthcare training.

# TECHNOLOGY

---

- A corpus of rupees 1 lakh crore will be established with a fifty-year interest-free loan, to encourage the private sector to scale up research and innovation significantly in the sunrise domains. This will provide long-term financing or refinancing with long tenors and low or nil interest rates. The same will facilitate the creation of more innovative and technology-intensive startups. The extra capital impetus will encourage existing establishments especially companies dealing with new age technologies with the potential for rapid growth to invest in research and innovation. This will slowly trickle down to creating more economic employment opportunities and high-quality services at affordable prices.
- A new scheme for strengthening deep-tech technology for defence purposes and expediting atma nirbharta.
- Certain tax benefits for start-ups were extended up to March 2025. This will encourage the creation of more start-ups and will aid the existing start-ups in meeting their working capital requirements during their initial years of operation. This will give them the cushion they need to grow and establish themselves.

Offices at:

Ahmedabad | Bengaluru | Chennai | Hyderabad | Kolkata | Mumbai | New Delhi | Pune

Follow us:



---

Copyright © 2024 Fox Mandal & Associates | The contents of this publication are for general information only and should not be relied upon as a substitute for professional advice, which should always be sought in relation to any specific matter prior to acting in reliance upon any such information. The opinions, estimates and information given herein are made in best judgment, utmost good faith and as far as possible based on data or sources, which are, believed to be reliable. Notwithstanding we disclaim any liability in respect of any claim which may arise from any errors or omissions or from providing such advice, opinion, judgment or information.