Chapter 10- Crux of Union Budget 2023-24 (February 01, 2023)

Youtube Link of Budget Lecture https://youtu.be/qdD0ceG6xrE

Ministry of Finance

Six Departments	**Department of Economic Affairs**- prepare **Budget & Economic Survey**, Development of the securities markets, Plan **borrowing**s of the Government, External Commercial Borrowings, Foreign Portfolio flows under Foreign Exchange Management Act (FEMA), 1999, Bilateral cooperation, **external assistance** and loans etc. **Department of Expenditure-** nodal Department for overseeing the **public financial management** system in the Central Government and matters connected with state finances. It is responsible for the implementation of the **recommendations of the Finance Commission** and Central Pay Commission, monitoring of audit comments/ observations, preparation of Central Government Accounts. **Department of Revenue**- It exercises control in respect of matters relating to all the **Direct and Indirect Union Taxes** through two statutory Boards namely, Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). **Department of Investment and Public Asset Management (DIPAM)**- deals with all matters relating to management of Central Government investments in equity including **disinvestment of equity in Central Public Sector Undertakings**. The Four major areas of its work relates to Strategic Disinvestment, Minority Stake Sales, Asset Monetisation and Capital Restructuring. **Department of Financial Services**- covers the **functioning of Banks**, Financial Institutions, Insurance Companies and the National Pension System. **Department of Public Enterprises (DPE)-** nodal department for all the Central Public Sector Enterprises (CPSEs) and **formulates policy pertaining to CPSEs**.
Budget is prepared by	Budget Division of Department of Economic Affairs
Economic Survey is prepared by	Economic Division of Department of Economic Affairs. Economic survey is presented before both the Houses of Parliament **one day before** the presentation of the Union Budget**.**

Q.1 Prelims 2010
Which of the following is responsible for the preparation and presentation of Union Budget to the parliament ?
(a) Department of Revenue (b) Department of Economic Affairs (c) Department of Financial Services (d)Department of Expenditure

Q.2 Prelims 1998
Economic Survey in India is published officially, every year by the
(a) Reserve Bank of India (b) Planning Commission of India
(c) Ministry of Finance, Government of India (d) Ministry of Industries, Government of India

KEY TO BUDGET DOCUMENTS (2023-24)

List of Budget documents presented to the Parliament, besides the Finance Minister's Budget Speech, is given below:
A. Annual Financial Statement (AFS)
B. Demands for Grants (DG)
C. Finance Bill
D. Fiscal Policy Statements **mandated** under Fiscal Responsibility and Budget Management (FRBM) Act, 2003:
    i. Macro-Economic Framework Statement
    ii. Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement
E. Expenditure Budget
F. Receipt Budget
G. Expenditure Profile
H. Budget at a Glance
I. Memorandum Explaining the Provisions in the Finance Bill

J. Output Outcome Monitoring Framework
K. Key Features of Budget 2023-24
L. Implementation of Budget Announcements, 2022-2023

The documents shown at Serial Nos. A, B, and C are **mandated by Article 112,113 and 110** (a) of the Constitution of India respectively.

Other documents at Serial Nos. E, F, G, H, I, J, K and L are in the nature of **explanatory statements** supporting the mandated documents.

The "Output Outcome Monitoring Framework" will have clearly defined outputs and outcomes for various Central Sector Schemes and Centrally Sponsored Schemes with measurable indicators against them and specific targets for FY 2023-24.

Hindi version of all these documents is also presented to the Parliament.

Q.3 Prelims 2020
Along with the Budget, the Finance Minister also places other documents before the Parliament which include "The Macro Economic Framework Statement. The aforesaid document is presented because this is mandated by
(a) Long standing parliamentary convention
(b) Article 112 and Article 110 (1) of the Constitution of India
(c) Article 113 of the Constitution of India
(d) Provisions of the Fiscal Responsibility and Budget Management Act, 2003

Brief description of the Budget documents:

Annual Financial Statement (popularly known as Budget)

Article 112	The President shall in respect of every financial year cause to be laid **before both the Houses of Parliament** a statement of the estimated receipts and expenditure of the Government of India for that year, referred to as the "annual financial statement' The estimates of expenditure embodied in the annual financial statement shall show separately— (a) the sums required to meet expenditure described by this Constitution as **expenditure charged** upon the Consolidated Fund of India; and (b) the sums required to meet other **expenditure proposed to be made** from the Consolidated Fund of India, and shall **distinguish expenditure** on revenue account from other expenditure.
Budget presentation	Budget is presented to the Lok Sabha on such day as the President may direct. A copy of the Budget is laid in the Rajya Sabha soon after its presentation in the Lok Sabha. In practice, Union Budget of India is presented each year on the first working day of February by the Finance Minister of India.
"**Charged expenditure**" which are **not required to be voted by** the Lok Sabha.	The Annual Financial Statement shows, certain disbursements distinctly, which are charged on the Consolidated Fund of India such as • emoluments and allowances of the **President** and other expenditure relating to his office, • salaries and allowances of **Chairman and Deputy Chairman of Rajya Sabha** and **Speaker and Deputy Speaker of Lok Sabha**, • salaries, allowances and pensions of **Judges of Supreme Court, Comptroller and Auditor-General of India** and **Central Vigilance Commission (CVC)***, • **interest on and repayment of loans** raised by the Government and payments made to **satisfy any judgment/decrees of courts** etc.,

	***Note**- CVC not mentioned in the constitution but as per Article 112, Parliament may, by law, declare any other expenditure to be so charged on Consolidated Fund of India. Parliament passed Central Vigilance Commission Act, 2003.
Details of AFS	It shows: Budgeted Estimates of receipts and expenditure of the Govt of India for Next year 2023-24. Budgeted and revised estimates for Current year 2022-23. Actual expenditure for the year Previous year 2021-22
Three parts	The receipts and disbursements are shown under three parts in which Government Accounts are kept viz., Consolidated Fund, Contingency Fund and Public Account.
Separation of Revenue expenditure	Annual Financial Statement distinguishes the expenditure on revenue account from the expenditure on other accounts, as is **mandated** in the Constitution of India. The Revenue and the Capital sections together, therefore make the Union Budget. The estimates of receipts and expenditure included in the AFS are net of refunds and recoveries respectively.

Q.4 CDS-2014
The Annual Financial Statement of the Government of India in respect of each financial year shall be presented to the House on such day as the
(a) Speaker may direct (b) President of India may direct (c) Parliament may decide (d) Finance Minister may decide

Q.5 ES-2011
Whose duty is it to cause to be laid before the Parliament the Annual Financial Statement (popularly known as Budget)?
(a) The President of India (b) The Prime Minister of India
(c) The Union Minister of Finance (d) The Union Minister of Parliamentary Affairs

Q.6 NIOS
Government budget is a financial statement of
(a) Actural expenditure and actual receipts (b) Expected expenditure and expected receipts
(c) Expected expenditure (d) Expected receipts

Q.7 CDS 2019
Under which one of the following Articles of the Constitution of India, a statement of estimated receipts and expenditure of the Government of India has to be laid before the Parliament in respect of every financial year ?
(a) Article 110 (b) Article 111 (c) Article 112 (d) Article 113

Consolidated Fund of India (Article 266 of the Constitution)

Revenue	All revenues received by the Government of India, loans raised by it, and also receipts from recoveries of loans granted by it, form the Consolidated Fund of India.
Expenditure	All expenditure of Government is incurred from the Consolidated Fund of India
Withdrawal	No amount can be drawn from the Consolidated Fund without due authorization from Parliament

Q.8 CDS-2011
In the Union Budget of India, all revenues received by the Government and loans raised by it form part of
(a) Consolidated Fund of India (b) Contingency Fund of India (c) Public Accounts (d) Balance of Payments

Contingency Fund of India (Article 267 of the Constitution)

Nature	It is an imprest placed at the disposal of the President of India
Purpose	to facilitate Government to meet urgent unforeseen expenditure pending authorization from Parliament
Corpus	The corpus of the Contingency Fund as authorized by Parliament presently stands at Rs. 30000 crore
Post facto approval	Post facto approval is obtained from Parliament for such unforeseen expenditure
Recoupment	After such post-facto approval, an equivalent amount is drawn from the Consolidated Fund to recoup the Contingency Fund.

Public Account (Article 266 of the Constitution)

Which type of money kept in PA	Moneys held by Government in trust are kept in the Public Account. For example :Provident Funds, Small Savings collections, receipts of Government set apart for expenditure on specific objects such as road development, primary education, other Reserve/Special Funds etc
No need of Parliamentary authorization	Public Account funds that do not belong to the Government and have to be finally paid back to the persons and authorities who deposited them, do not require Parliamentary authorization for withdrawals.
Need of approval	The approval of the parliament is obtained when amounts are withdrawn from the Consolidated Fund of India and kept in the Public Account for expenditure on specific objects. The actual expenditure on the specific object is again submitted for vote of the Parliament for withdrawal from the Public Account for incurring expenditure on the specific objects.

Q.9 Prelims 2015
With reference to the Union Government consider the following statements.
1. The Department of Revenue is responsible for the preparation of Union Budget that is presented to the parliament
2. No amount can be withdrawn from the Consolidated Fund of India without the authorization of Parliament of India.
3. All the disbursements made from Public Account also need the Authorization from the Parliament of India
Which of the following statements given above is/are correct?
a) 1 and 2 only b) 2 and 3 only c) 2 only d) 1, 2 and 3

Revenue Budget

Definition	Revenue Budget consists of the revenue receipts of the Government and revenue expenditure.
Revenue receipts	Revenue receipts are those receipts that do not lead to a claim on the government. They are therefore termed **non-redeemable**. **Tax revenues**: Taxes and other duties levied by the Union, Taxes of Union Territories. Tax revenues is divided into direct taxes (personal income tax) and firms (corporation tax), and indirect taxes like excise taxes (duties levied on goods produced within the country), customs duties (taxes imposed on goods imported into and exported out of India) and GST. Other direct taxes like wealth tax, gift tax and estate duty (now abolished) have never brought in large amount of revenue and thus have been referred to as '**paper taxes'**. **Non Tax revenues**: Interest on loan and dividend/profit on investments made by the Govt, fees and other receipts for services rendered by the Govt, External Grants, Receipts of Union Territories. **The estimates of revenue receipts take into account the effects of various taxation proposals made in the Finance Bill**.
Revenue expenditure	Expenditure which does not result in creation of assets (physical or financial) for the Govt of India, is treated as revenue expenditure like normal running of Government departments and for rendering of various services, making interest payments on debt, meeting subsidies, grants in aid, etc. All grants given to the State Governments/Union Territories and other parties are also treated as revenue expenditure even though some of the grants may be used for creation of capital assets.

Q.10 CDS 2017
Which one of the following is **not** a component of Revenue Receipts of the Union Government?
(a) Corporate tax receipts (b) Dividends and profits (c) Disinvestment receipts (d) Interest receipts

Q.11 NIOS
Revenue receipts are
(a) Borrowings
(b) Revovery of loans
(c) Grants from foreign countries
(d) Taxes, interest, dividends and profits from public sector undertakings

Capital Budget

Definition	Capital receipts and capital payments together constitute the Capital Budget
Capital receipts	All those receipts of the government which create liability or reduce financial assets are termed as capital receipts. • Loans raised by the Govt from the public (termed as market loans), • Borrowings by the Govt through the sale of Treasury Bills, • Loans received from foreign Govts and bodies, • **Disinvestment receipts** (Sale of Govt assets like shares in PSU) and • Recoveries of loans from State/Union Territory Govts and other parties
Capital payments	Expenditure which result in creation of physical or financial assets or reduction in financial liabilities . • Acquisition of assets like land, buildings, machinery, equipment etc. • Investments in shares, etc., and • Loans and advances granted to the State/Union Territory Govts, Govt companies, Corporations and other parties

Q.12 Prelims 2016
Which of the following is/are included in the capital budget of the Government of India?

1. Expenditure on acquisition of assets like roads, buildings, machinery, etc.
2. Loans received from foreign governments
3. Loans and advances granted to the States and Union Territories

Select the correct answer using the code given below.

(a) 1 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Q.13 NIOS
Capital Receipts are
(a) Taxes (b) Dividends (c) Profits (d) Borrowings, recovery of loans, grants from foreign countries

Q.14 ES 2019
Which of the following is not a component of 'Capital Receipts' ?
(a) Market borrowings including special bonds
(b) External loans raised by the Central Government from abroad.
(c) Receipts from taxes on property and capital transactions
(d) Provident Funds (State Provident Funds and Public Provident Fund)

Demands for Grants (Article 113)

Expenditure from the Consolidated Fund in the form of DG	Article 113 of the Constitution mandates that the estimates of expenditure from the Consolidated Fund of India included in the Annual Financial Statement and required to be voted by the Lok Sabha, be submitted in the form of Demands for Grants. Demands for Grants are presented to the Lok Sabha along with the Annual Financial Statement.
One Demand for each Ministry	Generally, one Demand for Grant is presented in respect of each Ministry or Department. However, more than one Demand may be presented for a Ministry or Department depending on the nature of expenditure.
Demand for Union Territories	In regard to Union Territories without Legislature, a separate Demand is presented for each of such Union Territories.

Finance Bill

At the time of presentation of the Annual Financial Statement before the Parliament, a Finance Bill is also presented in fulfillment of the requirement of Article 110 (1)(a) of the Constitution, detailing the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget. It also contains other provisions relating to Budget that could be classified as Money Bill.

A Finance Bill is a Money Bill as defined in Article 110 of the Constitution.

Passing of Budget

After the Demands for Grants are passed by the Lok Sabha, they are consolidated into an Appropriation Bill. This Bill seeks to authorise the government to spend money from the Consolidated Fund of India

After the passing of the Appropriation Bill, the Finance Bill is also taken up for consideration and passing by Lok Sabha.

Appropriation Bill and Finance Bill is a Money Bill as per article 110 of the constitution of India. **Money Bill only needs the approval of Lok Sabha.**

Once Lok Sabha passes a money bill, it is sent to Rajya Sabha for its recommendation. Rajya Sabha shall within a period of fourteen days from the date of its receipt of the Bill return the Bill to the Lok Sabha with its recommendations and the Lok Sabha may thereupon either accept or reject all or any of the recommendations of the Rajya Sabha.

Q14A Prelims 2023
With reference to Finance Bill and Money Bill in the Indian Parliament, consider the following statements:
1. When the Lok Sabha transmits the Finance Bill to the Rajya Sabha, it can amend or reject the Bill.
2. When the Lok Sabha transmits Money Bill to the Rajya Sabha, it cannot amend or reject the Bill, it can only make recommendations.
3. In the case of disagreement between the Lok Sabha and the Rajya Sabha, there is no joint sitting for Money Bill, but a joint sitting becomes necessary for the Finance Bill.

How many of the above statements are correct?
(a) Only one
(b) Only two
(c) All three
(d) None

Revenue, Fiscal and Primary deficit

Revenue deficit	Revenue expenditure – Revenue receipts
Effective Revenue deficit	Difference between Revenue deficit and Grants for creation of capital assets. Grants for creation of capital assets was introduced in the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 through the amendment in 2012. **Grants for creation of capital assets means** grants-in-aid given by the Central Government to state governments, autonomous bodies, local bodies and other scheme implementing agencies for creation of capital assets which are owned by these entities. Effective Revenue Deficit signifies that amount of capital receipts that are being used for actual consumption expenditure of the Government. The Government is mandated to eliminate the effective revenue deficit.
Fiscal deficit	Fiscal deficit = Total expenditure – (Revenue receipts+ Non-debt creating capital receipts) **Non-debt creating capital receipts** are those receipts which are not borrowings and, therefore, do not give rise to debt. For example- recovery of loans and the proceeds from the sale/disinvestment of PSUs. **OR** Fiscal deficit is defined as excess of total expenditure over total receipts excluding borrowings. **OR** Fiscal deficit = Revenue expenditure + capital expenditure – Revenue receipts – capital Receipts excluding borrowings. Fiscal deficit **reflects the total borrowing requirements of the govt.** Fiscal deficit indicates the additional amount of financial resources needed to meet government expenditure. Government is primarily resorting to **market linked borrowings for financing** its fiscal deficit.
Primary deficit	Fiscal deficit – Interest payment on previous borrowings
Budget deficit	Total Expenditure - Total Receipts. If borrowings and other liabilities are added to budget deficit, We get Fiscal deficit.

Q.15 Prelims 1999
Assertion (A): Fiscal deficit is greater than budgetary deficit.
Reason (R): Fiscal deficit is the borrowings from the Reserve Bank of India plus other liabilities of the Government to meet its expenditure.
(a) Both A and R are true, and R is the correct explanation of A
(b) Both A and R are true, but R is not a correct explanation of A
(c) A is true, but R is false
(d) A is false, but R is true

Q.16 CDS 2021
The excess of total expenditure of Government over its total receipts, excluding borrowings, is known as
(a) Primary deficit (b) Fiscal deficit (c) Current deficit (d) Capital deficit

Q.17 CDS-2013
The concept which tries to ascertain the actual deficit in the revenue account after adjusting for expenditure of capital nature is termed as (a) revenue deficit (b) effective revenue deficit (c) fiscal deficit (d) primary deficit

Q.18 CAPF-2013
If we deduct grants for creation of capital assets from revenue deficit, we arrive at the concept of
(a) primary deficit (b) net fiscal deficit (c) budgetary deficit (d) effective revenue deficit

Q.19 Prelims 2001
Match List I with List II and select the correct answer using the codes given below the Lists :

List I (Term)	List II (Explanation)
I. Fiscal deficit	(A) Excess of Total Expenditure over Total Receipts
II. Budget deficit	(B) Excess of Revenue Expenditure over Revenue Receipts
III. Revenue deficit	(C) Excess of Total Expenditure over Total Receipts less borrowings
IV. Primary deficit	(D) Excess of Total Expenditure over Total Receipts less borrowings and Interest Payments

Codes:
(a) IC, IIA, IIIB, IVD (b) ID, IIC, IIIB, IVA (c) IA, IIC, IIIB, IVD (d) IC, IIA, IIID, IVB

Q.20 Prelims 1992
Deficit financing means
(a) An excess of governments' current expenditure over its current revenue
(b) An excess of government expenditures minus borrowings other than those from the RBI
(c) An excess of government's total expenditure over its total revenue
(d) An excess of government revenue over expenditure

Q.21 Prelims 1994
Fiscal deficit in the Union Budget means
(a) the sum of budgetary deficit and net increase in internal and external borrowings
(b) the difference between current expenditure and current revenue
(c) the sum of monetized deficit and budgetary deficit
(d) net increase in Union Government's borrowing from the Reserve Bank of India

Q.22 Prelims 2013
In India, deficit financing is used for raising resources for
a) economic development b) redemption of public debt c) adjusting the balance of payments d) reducing the foreign debt

Q.23 CDS 2017
Match List-I with List-II and s elect the correct answer using the code given below the Lists :

List- I (Type of Deficit)	List-ll (Explanation)
A. Fiscal Deficit	1. Total Expenditure–Revenue Receipts & Non-debt Capital Receipts
B. Revenue Deficit	2. Revenue Expenditure - Revenue Receipts
C. Effective Revenue Deficit	3. Revenue Deficit - Grants for Creation of Capital Assets
D. Primary Deficit	4 . Fiscal Deficit – Interest Payments

Code:

	A	B	C	D
(a)	1	2	3	4
(b)	1	3	2	4
(c)	4	2	3	1
(d)	4	3	2	1

Budget at a Glance (in ₹ crores)

Particulars	2021-2022 Actuals	2022-2023 Budget Estimates	2022-2023 Revised Estimates	2023-2024 Budget Estimates
1. Revenue Receipt	**2169905**	**2204422**	**2348413**	**2632281**
(i) Tax Revenue (Net to Centre)	1804793	1934771	2086662	2330631
(ii) Non Tax Revenue	365112	269651	261751	301650
2. Capital Receipts	**1623896**	**1740487**	**1838819**	**1870816**
(i) Recovery of Loans	24737	14291	23500	23000
(ii) Other Capital Receipts	14638	65000	60000	61000
(iii) Borrowings and Other Liabilities	1584521	1661196	1755319	1786816
3. Total Receipts (1+2)	**3793801**	**3944909**	**4187232**	**4503097**
4. Revenue Expenditure	**3200926**	**3194663**	**3458959**	**3502136**
(i) Interest Payments	805499	940651	940651	1079971
(ii) Grants in Aid for creation of capital assets	242646	317643	325588	369988
(iii) Other Revenue Expenditure	2152781	1936369	2192720	2052177
5. Capital Expenditure	**592874**	**750246**	**728274**	**1000961**
6. Effective Capital Expenditure [5+4(ii)]	835520	1067889	1053862	1370949
7. Total Expenditure (4+5)	**3793801**	**3944909**	**4187232**	**4503097**
8. Revenue Deficit (4-1)	**1031021**	**990241**	**1110546**	**869855**
Percentage of Nominal GDP	4.4	3.8	4.1	2.9
9. Effective Revenue Deficit [8-4(ii)]	**788375**	**672598**	**784958**	**499867**
Percentage of Nominal GDP	3.3	2.6	2.9	1.7
10. Fiscal Deficit [7-1-2(i)-2(ii)] or 2(iii)	**1584521**	**1661196**	**1755319**	**1786816**
Percentage of Nominal GDP	6.7	6.4	6.4	5.9
11. Primary Deficit [10-4(i)]	**779022**	**720545**	**814668**	**706845**
Percentage of Nominal GDP	3.3	2.8	3.0	2.3

Note:

1. Nominal GDP for BE 2023-2024 has been projected at Rs. 3,01,75,065 crore assuming 10.5 % growth over the estimated Nominal GDP of Rs. 2,73,07,751 crore as per the First Advance Estimates of FY 2022-23.

2. The **total expenditure in BE 2023-24 is estimated at Rs. 45,03,097 crore** of which total capital expenditure is Rs. 10,00,961 crore. Budget 2023-24 reflects continuing strong commitment of the Union Government to boost economic growth by investing in infrastructure development leading to an increase in capital expenditure by 37.4 per cent over RE 2022-23. Effective Capital Expenditure, at Rs.13,70,949 crore in BE 2023-24, shows an increase of 30.1 per cent over RE 2022-23.

3. Ratio of capital expenditure to Fiscal Deficit (Capex-FD) broadly measures the extent of borrowed resources used for financing the capital expenditure of the Government.

Sources of Financing Fiscal Deficit (in ₹ crores)

	2021-2022 Actuals	2022-2023 Budget Estimates	2022-2023 Revised Estimates	2023-2024 Budget Estimates
1. Debt Receipts (Net)	**1581978**	**1660444**	**1758561**	**1798603**
(i) **Market Borrowings** (G-sec +T Bills)	814567	1158719	1195866	1230911
(ii) Securities against Small Savings	551269	425449	438919	471317
(iii) State Provident Funds	10317	20000	20000	20000
(iv) Other Receipts (Internal Debts & Public Account)	169677	37025	79902	54258
(v) External Debt	36147	19251	23874	22118
2. Draw Down of Cash Balance	2543	752	-3241	-11787
Fiscal Deficit	**1584521**	**1661196**	**1755319**	**1786816**

Rupee Comes From and Rupee Goes To

Rupee Comes From		Rupee Goes To	
Sources	**Paisa**	**Uses**	**Paisa**
Direct Tax:		Interest Payments	20
1. Income-tax	15	States' Share of Taxes & duties	18
2. Corporation-tax	15	Central Sector Scheme (excluding Capital Outlay on Defence and Subsidy)	17
Indirect Tax:		Centrally Sponsored Scheme	9
1. GST & Other taxes	17	Finance Commission & Other transfers	9
2. Union Excise Duties	7	Defence	8
3. Customs	4	Subsidies	7
		Pensions	4
Non-tax receipts	6	Other Expenditure	8
Non-debt Capital receipts	2		
Borrowings & Other liabilities	34		
Total	**100**	**Total**	**100**

Gross Tax Receipt in BE 2023-24 and RE 2022-23 is estimated at 11.1% of Nominal GDP (Direct Tax 6% and Indirect Tax 5.1%). In 2021-22, it was 11.4% (DT 6% and IDT 5.4%).

Tax buoyancy

Tax buoyancy is an important indicator of the efficiency and responsiveness of tax revenue mobilisation to GDP growth.

It is calculated as a **ratio of** percentage growth in tax revenues to growth in nominal GDP for a given year.

Tax is said to be buoyant if the gross tax revenues increase more than proportionately in response to a rise in GDP figures.

if nominal GDP growth rate of the country is 10% and growth rate of tax revenue is 11% then tax buoyancy will be 1.1.

Outlay on Major Schemes

Core of the Core Schemes

1. Mahatma Gandhi National Rural Employment Guarantee Program (Rs 60000 Cr in 2023-24, BE and RE in 2022-23 Rs 73000 Cr and Rs 89400 Cr respectively)
2. National Social Assistance Program
3. Umbrella Programme for Development of Minorities
4. Umbrella Programme for Development of Other Vulnerable Groups
5. Umbrella Programme for Development of Scheduled Tribes
6. Umbrella Programme for Development of Schedule Castes

Core Schemes

- Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission (Rs. 70000 Cr)
- Pradhan Mantri Awas Yojna (PMAY) (Rs. 79590 Cr)
- Pradhan Mantri Kisan Samman Nidhi (PMKisan) (Rs. 60000 Cr)

Allocation to Top 5 Ministries

Ministry of Defence	Rs. 5.94 Lakh Crore
Ministry of Road Transport and Highways	Rs. 2.70 Lakh Crore
Ministry of Railways	Rs. 2.41 Lakh Crore
Ministry of Consumer Affairs, Food & PD	Rs. 2.06 Lakh Crore
Ministry of Home Affairs	Rs. 1.96 Lakh Crore

Fiscal management principles under Fiscal Responsibility and Budget Management (FRBM) Act, 2003 amended in 2018 through finance Act, 2018

FRBM Act was enacted with a view to provide a legislative framework for reduction of deficit and thereby debt, of the Central Government to a sustainable level so as to ensure inter-generational equity in fiscal management and long term macro-economic stability. As per the Act:

1) The Central Government shall,—

(a) take appropriate measures to limit the **fiscal deficit upto 3%** of gross domestic product by the **31st March, 2021**;

(b) endeavour to ensure that—

(i) the General Government debt does not exceed 60%;

(ii) the **Central Government debt** does not exceed **40%**;

of gross domestic product by the end of financial year **2024-2025**;

(c) not give **additional guarantees** with respect to any loan on security of the Consolidated Fund of India in excess of 0.5% of gross domestic product, in any financial year;

(d) endeavour to ensure that the fiscal targets specified in clauses (a) and (b) are not exceeded after stipulated target dates.

(2) The Central Government shall prescribe the annual targets for reduction of fiscal deficit for the period beginning from the date of commencement of Finance Act, 2018 and ending on the 31st March, 2021:

Provided that exceeding annual fiscal deficit target due to ground or grounds of national security, act of war, national calamity, collapse of agriculture severely affecting farm output and incomes, **structural reforms in the economy** with unanticipated fiscal implications, decline in real output growth of a quarter by at least 3% points below its average of the previous four quarters, may be allowed for the purposes of this section.

(3) Any deviation from fiscal deficit target **shall not exceed 0.5%** of the gross domestic product in a year.

(4) Where the fiscal deficit is allowed to vary from the target prescribed above or deviation is initiated, a **statement explaining the reasons** thereof and the path of return to annual prescribed targets shall be laid before both the Houses of Parliament.

General Government debt" means the sum total of the debt of the Central Government and the State Governments, excluding inter-Governmental liabilities.

Central Government debt at any date means—
(i) the total outstanding liabilities of the Central Government on the security of the Consolidated Fund of India, including external debt valued at current exchange rates;

(ii) the total outstanding liabilities in the public account of India; and

(iii) such financial liabilities of **any body corporate** or other entity owned or controlled by the Central Government, which the Government is to repay or service from the annual financial statement, **reduced by the cash balance** available at the end of that date.(called **Extra budgetary resources/Off-budget borrowings/Off-budget financing)**

Government's debt profile

One of the **key features on Government's debt profile** is the diminishing proportion of external debt as percentage of total liabilities, which, at the current exchange rate amounts to approximately 5% of the Central Government's total liabilities as on 31st March, 2021. **External borrowing is limited to multilateral/ bilateral loans** from select development partners for financing development projects and, thus, not exposed to reversal of capital flows.

Macro-Economic Framework Statement (FRBM Act)

It contains an assessment of the growth prospects of the economy along with the statement of specific underlying assumptions. It also contains an **assessment regarding the GDP growth rate**, the domestic economy and the stability of the external sector of the economy, fiscal balance of the Central Government and the external sector balance of the economy.

Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement (FRBM Act)

It sets out the **three-year rolling targets for six specific fiscal indicators** in relation to GDP **at current market prices**, namely (i) Fiscal Deficit, (ii) Revenue Deficit, (iii) Primary Deficit (iv) Tax Revenue (v) Non-tax Revenue and (vi) Central Government Debt.

The Statement includes the underlying assumptions, an assessment of the balance between revenue receipts and revenue expenditure and the use of capital receipts including market borrowings for the creation of productive assets.

It also outlines for the existing financial year, the strategic priorities of the Government relating to taxation, expenditure, lending and investments, administered pricing, borrowings and guarantees.

The Statement explains how the current fiscal policies are in conformity with sound fiscal management principles and gives the rationale for any major deviation in key fiscal measures.

Fiscal Indicators - Rolling Targets as a Percentage of GDP (Budget 2023-24)

S. No.	**Fiscal Indicators**	**Revised Estimates 2022-23**	**Budget Estimates 2023-24**	**Projections 2024-25**	**Projections 2025-26**
1	Fiscal Deficit	6.4	5.9	**Not given due to continued global uncertainty.** However, in line with the commitment made in the Budget Speech for FY 2021-22, Government would pursue a broad path of fiscal consolidation to attain a level of Fiscal Deficit lower than 4.5 per cent of GDP by FY 2025-26.	
2	Revenue Deficit	4.1	2.9		
3	Primary Deficit	3.0	2.3		
4	Gross Tax Revenue	11.1	11.1		
5	Non-tax Revenue	1.0	1.0		
6	Central Government debt	57.0	57.2		

As on date, the Fiscal Deficit is the only operational target for fiscal consolidation.

Tax expenditures

Tax expenditure refers to revenue forgone by Govt. as a result of tax incentives.

e.g. Revenue loss of Govt. on providing Tax exemption on charitable donations, House rent allowance, Interest on housing loan etc

Budget 2023-2024 Announcements by Finance Minister

Part-A

In the 75th year of our Independence, the world has recognised the Indian economy as a 'bright star'. Our current year's economic growth is estimated to be at 7 per cent. It is notable that this is the highest among all the major economies.

Resilience amidst multiple crises

India's rising global profile is because of several accomplishments: unique world class **digital public infrastructure, e.g., Aadhaar, Co-Win and UPI;** Covid vaccination drive in unparalleled scale and speed; proactive role in frontier areas such as achieving the climate related goals, mission LiFE, and National Hydrogen Mission.

During the Covid-19 pandemic, we ensured that no one goes to bed hungry, with a scheme to supply free food grains to over 80 crore persons for 28 months. Continuing our commitment to ensure food and nutritional security, we are implementing, from 1st January 2023, a scheme to supply free food grain to all Antyodaya and priority households for the next one year, under PM Garib Kalyan Anna Yojana (PMGKAY). The entire expenditure of about Rs. 2 lakh crore will be borne by the Central Government.

Achievements since 2014: Leaving no one behind.

The government's efforts since 2014 have ensured for all citizens a better quality of living and a life of dignity.

The **per capita income has more than doubled** to Rs. 1.97 lakh.

In these nine years, the **Indian economy has increased in size from being 10th to 5th largest in the world**.

The economy has become a lot more **formalised** as reflected in the EPFO membership more than doubling to 27 crore, and 7,400 crore digital payments of Rs. 126 lakh crore through UPI in 2022.

The efficient implementation of many schemes, with universalisation of targeted benefits, has resulted in **inclusive development**. Some of the schemes are:

i. 11.7 crore household toilets under Swachh Bharat Mission,
ii. 9.6 crore LPG connections under Ujjawala,
iii. 220 crore Covid vaccination of 102 crore persons,
iv. 47.8 crore PM Jan Dhan bank accounts,
v. Insurance cover for 44.6 crore persons under PM Suraksha Bima and PM Jeevan Jyoti Yojana, and
vi. Cash transfer of Rs. 2.2 lakh crore to over 11.4 crore farmers under PM Kisan Samman Nidhi.

Vision for Amrit Kaal – an empowered and inclusive economy

Our vision for the Amrit Kaal includes technology-driven and knowledge-based economy with strong public finances, and a robust financial sector.

The **economic agenda for achieving this vision focuses on three things**:
- first, facilitating ample opportunities for citizens, especially the youth, to fulfil their aspirations;
- second, providing strong impetus to growth and job creation; and
- third, strengthening macro-economic stability.

To service these focus areas in our journey to India@100, we believe that the following four opportunities can be transformative during Amrit Kaal.

1) Economic Empowerment of Women
2) PM VIshwakarma KAushal Samman (PM VIKAS)- traditional artisans and craftspeople, who work with their hands using tools are generally referred to as Vishwakarma.
3)Tourism
4)Green Growth

Saptarishi-7 Priorities of this Budget

The Budget adopts the following seven priorities. They complement each other and act as the 'Saptarishi' guiding us through the Amrit Kaal.
1) Inclusive Development
2) Reaching the Last Mile
3) Infrastructure and Investment
4) Unleashing the Potential
5) Green Growth
6) Youth Power
7) Financial Sector

Priority 1: Inclusive Development

Agriculture and Cooperation

- **Digital public infrastructure for agriculture** will be built as an open source, open standard and inter operable public good.
- **Agriculture Accelerator Fund will be set-up to encourage agristartups** by young entrepreneurs in rural areas.
- To enhance the productivity of extra-long staple cotton, we will adopt a cluster-based and value chain approach through Public Private Partnerships (PPP).
- **Atmanirbhar Clean Plant Program** to boost availability of disease-free, quality planting material for high value **horticultural crops** at an outlay of Rs. 2,200 crore.
- We are the **largest producer and second largest exporter** of 'Shree Anna' in the world. We grow several types of 'Shree Anna' such as jowar, ragi, bajra, kuttu, ramdana, kangni, kutki, kodo, cheena, and sama. Now to make India a global hub for Millets: 'Shree Anna', the **Indian Institute of Millet Research, Hyderabad** will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.
- **Agriculture credit target** will be increased to **Rs. 20 lakh crore** with focus on animal husbandry, dairy and fisheries.
- New sub-scheme of PM Matsya Sampada Yojana with targeted investment of Rs. 6,000 crore to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.
- Massive **decentralised storage capacity** to be set up to help farmers store their produce and realize remunerative prices through sale at appropriate times.

Health, Education and Skilling

- **157 new nursing colleges** will be established in co-location with the existing 157 medical colleges established since 2014.
- A **Mission to eliminate Sickle Cell Anaemia by 2047** will be launched.
- Facilities in select **ICMR Labs will be made available for research by public and private medical college faculty** and private sector R&D teams for encouraging collaborative research and innovation.
- A new programme to promote research and innovation in pharmaceuticals will be taken up through centers of excellence.
- Dedicated **multidisciplinary courses for medical devices** will be supported in existing institutions to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research.
- The **District Institutes of Education and Training** will be developed as vibrant institutes of excellence for Teachers' Training.
- A **National Digital Library** for children and adolescents will be set-up.

Priority 2: Reaching the Last Mile

- To improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs), **Pradhan Mantri PVTG Development Mission** will be launched. Rs. 15,000 crore will be made available to implement the Mission in the next three years under the Development Action Plan for the Scheduled Tribes.
- In the next three years, centre will recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.
- In the drought prone central region of Karnataka, central assistance of Rs. 5,300 crore will be given to Upper Bhadra Project to provide sustainable micro irrigation and filling up of surface tanks for drinking water.
- The outlay for PM Awas Yojana is being enhanced by 66 per cent to over Rs. 79,000 crore.
- **'Bharat Shared Repository of Inscriptions' (Bharat SHRI)** will be set up in a digital epigraphy museum, with digitization of one lakh ancient inscriptions in the first stage.
- For poor persons who are in prisons and unable to afford the penalty or the bail amount, required financial support will be provided.

Priority 3: Infrastructure & Investment

- Investments in Infrastructure and productive capacity have a large **multiplier impact** on growth and employment.
- **Capital investment** outlay is being increased steeply for the third year in a row by 33 per cent to **Rs. 10 lakh crore**, which would be 3.3 per cent of GDP. This will be almost three times the outlay in 2019-20.
- The direct capital investment by the Centre is complemented by the provision made for creation of capital assets through Grants-in-Aid to States. The '**Effective Capital Expenditure'** of the Centre is budgeted at Rs. 13.7 lakh crore, which will be 4.5 per cent of GDP.
- **Support to State Governments for Capital Investment- continuation of the 50-year interest free loan to state governments** for one more year to spur investment in infrastructure, with a significantly enhanced outlay of Rs. 1.3 lakh crore.
- **States will be allowed a fiscal deficit of 3.5 per cent of GSDP** of which 0.5 per cent will be tied to power sector reforms.
- **Newly established Infrastructure Finance Secretariat** will assist all stakeholders for more private investment in infrastructure.
- A capital outlay of Rs. **2.40 lakh crore has been provided for the Railways**. This highest ever outlay is about 9 times the outlay made in 2013-14.
- **100 critical transport infrastructure projects**, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. They will be taken up on priority with investment of Rs. 75,000 crore, including Rs. 15,000 crore from private sources.
- **50 additional airports**, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.
- States and cities will be encouraged to undertake urban planning reforms and actions to transform our cities into '**sustainable cities of tomorrow**'.
- Through property tax governance reforms and ring-fencing user charges on urban infrastructure, cities will be incentivized to improve their credit worthiness for municipal bonds.
- **Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall**. This will be **managed by the National Housing Bank**, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. We expect to make available Rs. 10,000 crore per annum for this purpose.
- All cities and towns will be enabled for **100 per cent mechanical desludging of septic tanks** and sewers to transition from manhole to machine-hole mode. Enhanced focus will be provided for scientific management of dry and wet waste.

Priority 4: Unleashing the Potential

- The government has launched an integrated **online training platform, iGOT Karmayogi**, to provide continuous learning opportunities for lakhs of government employees to upgrade their skills and facilitate people-centric approach.
- For enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. For furthering the trustbased governance, we have introduced the **Jan Vishwas Bill to amend 42 Central Acts.**
- For realizing the vision of "Make AI in India and Make AI work for India", **three centres of excellence for Artificial Intelligence will be set-up in top educational institutions**.
- To unleash innovation and research by start-ups and academia, **National Data Governance Policy** will be brought out.
- The KYC process will be simplified adopting a 'risk-based' instead of 'one size fits all' approach.
- A one stop solution for reconciliation and updating of identity and address of individuals maintained by various government agencies, regulators and regulated entities will be established using DigiLocker service and Aadhaar as foundational identity.
- **PAN will be used as the common identifier** for all digital systems of specified government agencies.
- For obviating the need for separate submission of same information to different government agencies, a system of '**Unified Filing Process'** will be set-up.
- **Vivad se Vishwas I – Relief for MSMEs-** In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the **forfeited amount relating to bid or performance security, will be returned** to them by government and government undertakings.
- **Vivad se Vishwas II –** To settle contractual disputes of government and government undertakings, wherein arbitral award is under challenge in a court, a **voluntary settlement scheme** with standardized terms will be introduced.
- **Result Based Financing-**To better allocate scarce resources for competing development needs, the financing of select schemes will be changed, on a pilot basis, from 'input-based' to 'result-based'.
- For efficient administration of justice, **Phase-3 of the E-Courts project** will be launched with an outlay of Rs. 7,000 crore.
- **Scope of documents available in DigiLocker** for individuals will be expanded.
- **An Entity DigiLocker** will be set up for use by MSMEs, large business and charitable trusts to store and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.
- **100 labs for developing applications using 5G services** will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential.
- To encourage indigenous production of **Lab Grown Diamonds (LGD)** seeds and machines and to reduce import dependency, a research and development grant will be provided to one of the IITs for five years.

Priority 5: Green Growth

- The **recently launched National Green Hydrogen Mission**, with an outlay of Rs. 19,700 crores, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports. Our target is to reach an annual production of 5 MMT by 2030.
- This Budget provides Rs. 35,000 crore for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum & Natural Gas.
- **Battery Energy Storage Systems** with capacity of 4,000 MWH will be supported with Viability Gap Funding.
- The Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh will be constructed with investment of Rs. 20,700 crore including central support of Rs. 8,300 crore.

- For encouraging behavioural change, a **Green Credit Programme** will be notified under the Environment (Protection) Act. This will incentivize environmentally sustainable and responsive actions by companies, individuals and local bodies, and help mobilize additional resources for such activities.

- “PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth” (**PM-PRANAM)** will be launched to incentivize States and UTs to promote alternative fertilizers and balanced use of chemical fertilizers.

- **500 new ‘waste to wealth’ plants under GOBARdhan** (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy at total investment of Rs. 10,000 crore. In due course, a 5 per cent compressed biogas mandate will be introduced for all organizations marketing natural and bio gas.

- Over the next 3 years, we will **facilitate 1 crore farmers to adopt natural farming**. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.

- ‘Mangrove Initiative for Shoreline Habitats & Tangible Incomes’, **MISHTI**, will be taken up for mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between MGNREGS, CAMPA Fund and other sources.

- **Amrit Dharohar scheme** will be implemented over the next three years to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.

- **Coastal shipping will be promoted** as the energy efficient and lower cost mode of transport, both for passengers and freight, through PPP mode with viability gap funding.

- Allocated adequate funds to **scrap old vehicles of the Central Government**. **States will also be supported** in replacing old vehicles and ambulances.

Priority 6: Youth Power

- To empower our youth and help the ‘**Amrit Peedhi’** realize their dreams, we have formulated the **National Education Policy,** focused on skilling, adopted economic policies that facilitate job creation at scale, and have supported business opportunities.

- **Pradhan Mantri Kaushal Vikas Yojana 4.0 will be launched** to skill lakhs of youth within the next three years. On-job training, industry partnership, and alignment of courses with needs of industry will be emphasized. The scheme will also cover **new age courses for Industry 4.0 like coding, AI, robotics**, mechatronics, IOT, 3D printing, drones, and soft skills. To skill youth for international opportunities, **30 Skill India International Centres** will be set up across different States.

- A **unified Skill India Digital platform** to be launched for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes.

- To provide stipend support to 47 lakh youth in three years, Direct Benefit Transfer under a pan-India **National Apprenticeship Promotion Scheme** will be rolled out.

- **At least 50 tourist destinations** to be selected through challenge mode; to be developed as a complete package for domestic and foreign tourists.

- Sector specific skilling and entrepreneurship development will be dovetailed to achieve the objectives of the ‘**Dekho Apna Desh’ initiative.**

- Under the **Vibrant Villages Programme**, tourism infrastructure and amenities will also be facilitated in border villages.

- **States will be encouraged to set up a Unity Mall** for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other States.

Priority 7: Financial Sector

- **Revamped credit guarantee scheme for MSMEs** to take effect from 1st April 2023 through infusion of Rs 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of Rs. 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent.

- **National financial information registry will be set up** to serve as the central repository of financial and ancillary information for facilitating efficient flow of credit, promote financial inclusion, and foster financial stability.

- Initiatives to **promote business activities in GIFT IFSC** like Delegating powers under the SEZ Act to IFSCA to **avoid dual regulation**; Setting up a **single window IT system** for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI; Countries looking for digital continuity solutions would be facilitated for setting up of their **Data Embassies in GIFT IFSC**.

- To improve bank governance and enhance investors' protection, certain **amendments to the Banking Regulation Act**, the Banking Companies Act and the Reserve Bank of India Act are proposed.

- To build capacity of functionaries and professionals in the securities market, **SEBI will be empowered** to develop, regulate, maintain and enforce norms and standards for education in the National Institute of Securities Markets and to recognize award of degrees, diplomas and certificates.

- A **Central Data Processing Centre** will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.

- For investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority with ease, an **integrated IT portal** will be established.

- A one-time new small savings scheme, **Mahila Samman Savings Certificate**, will be made available for a two-year period up to March 2025. This will offer deposit facility upto Rs. 2 lakh in the name of women or girls for a tenor of 2 years at fixed interest rate of 7.5 per cent with partial withdrawal option.

- The **maximum deposit limit for Senior Citizen Savings Scheme** will be enhanced from Rs. 15 lakh to Rs. 30 lakh.

PART B

Direct Taxes

- Our tax payers' portal received a maximum of 72 lakh returns in a day; processed more than 6.5 crore returns this year; average processing period reduced from 93 days in financial year 13-14 to 16 days now; and 45 per cent of the returns were processed within 24 hours.

- To further improve tax payer services, **proposal to roll out a next-generation Common IT Return Form** for tax payer convenience, along with plans to strengthen the grievance redressal mechanism.

- Rebate limit of Personal Income Tax to be increased to Rs. 7 lakh from the current Rs. 5 lakh in the new tax regime. **Thus, persons in the new tax regime, with income up to Rs. 7 lakh to not pay any tax.**

- Tax structure in new personal income tax regime, introduced in 2020 with six income slabs, to change by reducing the number of slabs to five and **increasing the tax exemption limit to Rs. 3 lakh**.

Income	New Tax Rates
➢ Rs. 0-3 lakh	Nil
➢ Rs. 3-6 lakh	5 per cent
➢ Rs. 6-9 lakh	10 per cent
➢ Rs. 9-12 lakh	15 per cent
➢ Rs. 12-15 lakh	20 per cent
➢ Above Rs. 15 lakh	30 per cent

- Proposal to extend the benefit of standard deduction of Rs. 50,000 to salaried individual, and deduction from family pension up to Rs. 15,000, in the new tax regime.

- Highest surcharge rate to reduce from 37 per cent to 25 per cent in the new tax regime. This to further result in reduction of the **maximum personal income tax rate to 39 per cent**.

- The limit for **tax exemption on leave encashment on retirement** of non-government salaried employees to increase to Rs. 25 lakh.

- The new income tax regime to be made the **default tax regime**. However, citizens will continue to have the option to avail the benefit of the old tax regime.

- Conversion of gold into electronic gold receipt and vice versa not to be treated as capital gain.

- **Agniveer Fund to be provided Exempt-Exempt-Exempt (EEE) status**. The payment received from the Agniveer Corpus Fund by the Agniveers enrolled in Agnipath Scheme, 2022 proposed to be exempt from taxes.

- **Micro enterprises** with turnover up to Rs. 2 crore and certain professionals with turnover of up to Rs. 50 lakh can avail the benefit of presumptive taxation. This limit is being enhanced to Rs. 3 crore and Rs. 75 lakh respectively, to the tax payers whose cash receipts are no more than 5 per cent.

- **To support MSMEs** in timely receipt of payments, deduction for expenditure incurred on payments made to them will be allowed only when payment is actually made.

- **New co-operatives** that commence manufacturing activities till 31.3.2024 to get the benefit of a lower tax rate of 15 per cent, as presently available to new manufacturing companies.

- Opportunity provided to **sugar co-operatives** to claim payments made to sugarcane farmers for the period prior to assessment year 2016-17 as expenditure. This expected to provide them a relief of almost Rs. 10,000 crore.

- Provision of a higher limit of Rs. 2 lakh per member for **cash deposits to and loans in cash** by Primary Agricultural Co-operative Societies (PACS) and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs).

- A higher limit of Rs. 3 crore for TDS on cash withdrawal to be provided to **co-operative societies**.

- Date of incorporation for income tax benefits to **start-ups** to be extended from 31.03.23 to 31.3.24

Indirect Taxes

- **Reduction in basic customs duty** to reduce input costs, deepen value addition, to promote export competitiveness, correct inverted duty structure so as to boost domestic manufacturing etc: **Customs duty reduced/exempted on import of following:**
  - Crude glycerin for use in manufacture of Epichlorohydrin
  - Specified parts for manufacture of **open cell of TV panel**
  - Heat coil for manufacture of electric kitchen chimneys
  - Acid grade fluorspar
  - Denatured ethyl alcohol for use in manufacture of industrial chemicals (exempted)
  - Seeds for use in manufacturing of rough lab-grown diamonds (exempted)
  - **Camera lens** and its inputs/parts for use in manufacture of camera module of cellular mobile phone (exempted)

- **Customs duty increased on import of following:**
  - Naphtha
  - Silver and Silver dore
  - Articles of Precious Metals such as gold/silver/platinum
  - Imitation Jewellery
  - Bicycles
  - Toys and parts of toys (other than parts of electronic toys)
  - Compounded Rubber
  - Electric Kitchen Chimney

- Customs Duty exemption on import of capital goods/machinery required for manufacture of **lithium-ion cell** for use in battery of electrically operated vehicle (EVs) extended to 31.03.2024

- Concessional duty on **lithium-ion cells** for batteries extended for another year.

- Duty reduced on key inputs for domestic manufacture of **shrimp feed**.

- Basic Customs Duty exemption on raw materials for manufacture of CRGO Steel, ferrous scrap and nickel cathode continued.
- Concessional BCD on **copper scrap** is continued.
- **National Calamity Contingent Duty** (NCCD) on specified cigarettes revised upwards by about 16 per cent.
- Excise duty exempted on GST-paid **compressed bio gas** contained in blended compressed natural gas.
- **CGST Act to be amended** to raise the minimum threshold of tax amount for launching prosecution under GST from one crore to two crore except for the offence of issuance of invoices without supply of goods or services or both; to decriminalise certain offences; **to enable unregistered suppliers and composition taxpayers** to make intra-state supply of goods through E-Commerce Operators (ECOs).

Answers of MCQs

1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**
b	c	d	b	a	b	c	a	c	c	d	d	d	c	a	b	b	d
19	**20**	**21**	**22**	**23**	**14A**												
a	c	a	a	a	a												