

BUDGET ANALYSIS: 2024

1

Employment Boost Initiatives:

Several initiatives have been introduced to enhance employment, including internship programs, benefits for first-time employees, and contributions to EPFO by employers in the manufacturing sector.

2

TReDS Enhancement:

The turnover threshold for buyers on the Trade Receivables Discounting System (TReDS) has been reduced to INR 250 crore. Buyers include corporate buyers, government departments, public sector undertakings, and other entities purchasing goods or services from MSME sellers.

3

Tax Reforms:

Key tax reforms include abolishing the Angel Tax, shifting taxation on buy-backs to the recipients, reduction of TDS in relation to e-commerce operator to 0.1%, removal of equalization levy, and simplifying reassessment processes. However the increase in LTCG and STCG with removal of indexation benefit would not be seen positively.

4

Regulatory Simplification:

FDI and ODI regulations will be streamlined to promote INR payments for overseas investments. The Income Tax Act, 1961 will undergo review and simplification to enhance ease of doing business.

5

Focus on Emerging Sectors:

Credit systems and certifications for natural farming aim to bolster the Agri-Tech sector. The establishment of Bharat Small Reactors and research in nuclear energy technologies will advance India's energy capabilities. A roadmap for hard-to-abate industries towards establishing an Indian Carbon Market signifies progress in Environmental, Social, and Governance sectors.

6

Indirect Tax and Stamp Duty Adjustments:

Reducing duties for certain medicines, medical equipment, mobile phone components, solar panels, etc., aims to stimulate manufacturing. Lowering stamp duty in various states where the rates are high.

7

Alternative Energies:

Customs duties are exempted/ reduced on minerals such as Lithium, copper, cobalt etc. Expansion of the list of exempted capital goods for use in the manufacture of solar cells and panels. Installation of rooftop solar plants to grant free electricity.

8

Liquidation Process:

Streamline IBC process by using a tech platform and also by setting up additional tribunals. Usage of Centre for Processing Accelerated Corporate Exit (C-PACE) for voluntary closure of LLPs to reduce the closure time.

These measures outlined in the Union Budget 2024-25 aim to foster economic growth across various sectors while simplifying regulations and enhancing employment opportunities.

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