

Hive

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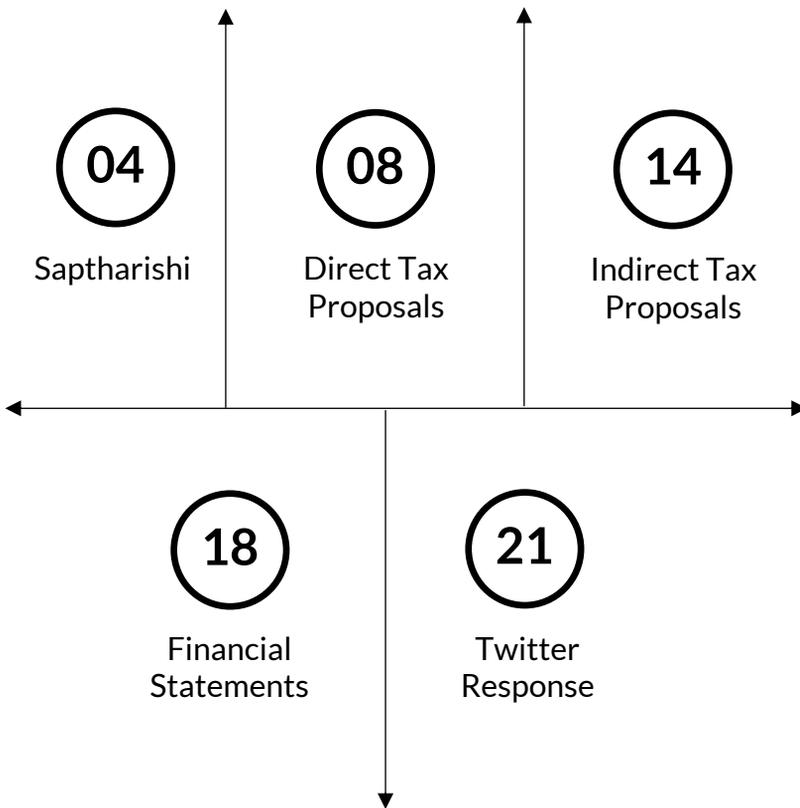
**BUDGET - 2023**



# CONTENTS



Good Governance is the key to a nation's progress.



Finance Minister Nirmala Sitharaman delivered her Budget-2023 in the parliament on 1<sup>st</sup> February 2023.

Finance Minister announced big relief for taxpayers and a mega push for capital spending and infrastructure as she unveiled the government's last full Budget before the 2024 national election.

The budget with growth undertones & optimism, announced India's economic outlook is better than pre-pandemic years.

“Good Governance is the key to a nation's progress. Our government is committed to providing a transparent and accountable administration that works for the betterment and welfare of the common citizen”

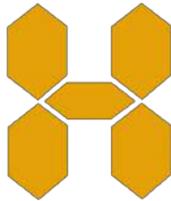
- Narendra Modi



# BUDGET SIMPLIFIED

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# SAPTHARSHI — 7 POINT PRIORITY

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## 01 INCLUSIVE DEVELOPMENT

### Agriculture

- ❑ Building Digital Public Infrastructure - accessible & informative solution for farmers
- ❑ ANB Horticulture Clean Plant Program - to boost high value horticultural crops
- ❑ Accelerator Fund - for encouraging Start-ups in rural areas
- ❑ Global Hub for Millets - Support to IIMR Hyderabad
- ❑ Wide storage capacity - enhance farmers remuneration by enabling sale at appropriate times



### Healthcare

- ❑ 157 New Nursing Colleges to be established
- ❑ Sickle Cell Anaemia elimination mission to be launched
- ❑ New Programme to promote research in Pharmaceuticals to be launched
- ❑ Joint Public and Private Medical Research to be encouraged via select ICMR Labs

### Education & Skilling

- ❑ Revamped Teacher's training via District Institutes of Education and Training
- ❑ National Digital Library to be set up for children and adolescents
- ❑ States will be encouraged to set up physical libraries at Panchayat and ward levels



## 02 REACHING THE LAST MILE

- ❑ Pradhan Mantri PVTG (Particularly Vulnerable Tribal Group) Development Mission to be launched
- ❑ Financial Assistance - micro irrigation in drought prone regions in Karnataka
- ❑ 740 Eklavya Model Residential Schools to recruit more teachers
- ❑ Bharath SHRI (Shared Repository of Inscriptions) to be set up for digitization of ancient inscriptions



## 03 INFRASTRUCTURE AND INVESTMENT

- ❑ Incentives to boost Investment in Infrastructure & productive capacity
- ❑ Continuation of 50year interest free loan to State governments to incentivize infrastructure
- ❑ 100 transport infrastructure projects identified for end to end connectivity of ports, coal, steel & fertilizer
- ❑ Creating Urban Infrastructure in Tier 2 & 3 cities via establishment of Urban Infrastructure Development Fund



## 04 UNLEASHING THE POTENTIAL – TRUST BASED GOVERNANCE

### Measures

Make AI in India – Three specialized AI centers to be set up in educational Institutes

National Data Governance Policy to be introduced

Vivad se Vishwas I : Less stringent contract execution for MSME's

Vivad se Vishwas II : Easier and standardized settlement scheme

Phase 3 of E-Courts to be launched

Entity Digi Locker to be setup for use by business enterprises and charitable trusts

Setting up of 100 labs for 5G services-based application development

R&D grant for Lab Grown Diamonds (LGD) Sector

### Expected Outcomes

AI based solutions in agriculture, health and sustainable cities

Enable access to anonymized data for research by Start-ups and academia

Relief to MSME's affected during the Covid period

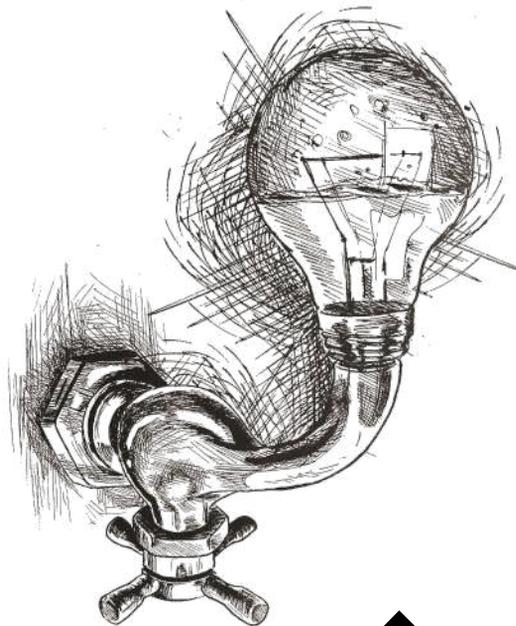
Faster Settlement of contractual disputes of Government & Government undertakings

Effective administration of Justice

Facilitating secure online storing and sharing of documents with the business eco system

To tap employment potential and business opportunities

To reduce import dependency by encouraging domestic production



## 05 GREEN GROWTH

- ❑ PM PRANAM – to be launched – to incentivize State/UT’s to promote usage of alternative fertilizers
- ❑ 500 Waste to Wealth plans to be established
- ❑ Green Credit Programs to be notified
- ❑ Sustainable Ecosystem development to be taken up for Mangrove plantation along the coastline
- ❑ Promotion of Battery energy storage systems
- ❑ Promotion of coastal shipping for energy sufficient transportation
- ❑ Funds allocated for replacing old polluting vehicles

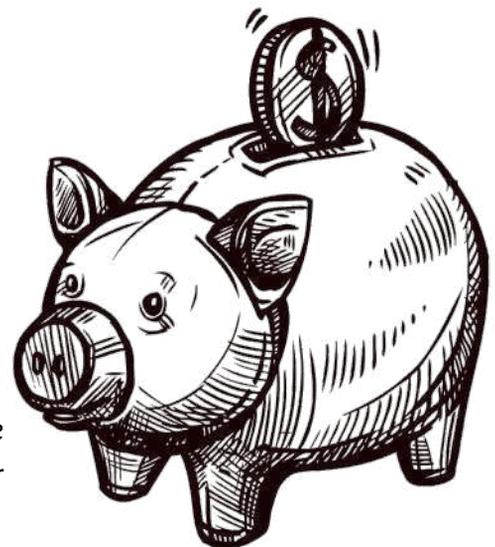


## 06 YOUTH POWER

- ❑ At least 50 destinations to be selected through challenge mode – to be developed as complete package for domestic & foreign tourists
- ❑ PMKY 4.0 – covering new courses like coding, AI, Robotics, 3D Printing
- ❑ Promotion of sales of ODOP (One-District - One Product), GI & handicraft products

## 07 FINANCIAL SECTOR

- ❑ National Financial Information Registry – To enable efficient lending
- ❑ Central Data processing centre – for faster handling of administrative work under Companies Act
- ❑ Credit Guarantee scheme for MSME – Expanded corpus under a revamped scheme to enable additional collateral free guaranteed credit
- ❑ Mahila Samman Bachat Patra – New small savings scheme for a 2 year period with deposit facility of upto Rs.2lakh for women
- ❑ Initiatives to promote business activities in GIFT IFSC
- ❑ Enhanced maximum deposit limit for senior citizen savings scheme to Rs.30lakh
- ❑ Create more trained professionals in Securities Markets via award of educational certificates





# DIRECT TAX PROPOSALS



# DIRECT TAX PROPOSALS

#No Change in tax rates given below

## INDIVIDUAL/HUF (NEW REGIME) (DEFAULT REGIME)

Taxable income	Up to Rs.3L	Rs.3L to Rs.6L	Rs.6L to Rs.9L	Rs.9L to Rs.12L	Rs.12L to Rs.15L	Above Rs.15L
Tax	Nil	5%	10%	15%	20%	30%

[New Tax Regime extended to AOP and BOI as well]  
[Standard Deduction of 50k shall be available]

## TAX SLAB – INDIVIDUAL/HUF (OLD REGIME)

Individual Assessee <60years	
Taxable income	Tax
Up to Rs.2.5L	Nil
Rs.2.5L to Rs.5L	5%
Rs.5L to Rs.10L	20%
Above Rs.10L	30%

Resident Senior Citizen >60yrs	
Taxable income	Tax
Up to Rs.3L	Nil
Rs.3L to Rs.5L	5%
Rs.5L to Rs.10L	20%
Above Rs.10L	30%

Resident Senior Citizen >80yrs	
Taxable income	Tax
Up to Rs.5L	Nil
Rs.5L to Rs.10L	20%
Above Rs.10L	30%

16(ia)	Standard Deduction - Rs.50,000
87A	Tax Rebate of Rs.12,500 upto Rs.5laks

Surcharge	10% - 25% based on the Range of Income
Education Cess	4%

Surcharge on Income by way of Dividend, Short term/long term capital gain on sale of Equity shares/equity oriented mutual funds is limited to 15%.

## TAX SLAB – PARTNERSHIP FIRM/ LLP/ LOCAL AUTHORITY

Tax Rate	30%
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Surcharge	12% of tax - total income exceeds Rs.1 crore
Education Cess	4%

## TAX SLAB – COMPANIES

Domestic Cos. <400Cr	25%
Domestic Cos. >400Cr	30%

Surcharge	7% of tax - total income >1Crore and <10Crore
	12% of tax - total income >10Crore
Education Cess	4%

Foreign Cos. (Any other Income)	40%
Foreign Cos. (Royalty received from Govt./Indian concern or tech. fees approved by Govt)	50%

Surcharge	2% of tax - total income >1Crore and <10Crore
	5% of tax - total income >10Crore
Education Cess	4%

## CO-OPERATIVE SOCIETY

Taxable income	Tax
Up to Rs.10,000	10%
Rs.10k to Rs.20k	20%
Above Rs.20,000	30%

Surcharge	7% of tax - total income >1Crore
	12% of tax - total income >10Crore
Education Cess	4%

[Concessional rate of tax @ 15% to manufacturing cooperative societies setup after 01.04.2023 and commences production before 31.03.2024]

[Option to cooperative societies to pay tax @ 22% u/s 115BAD]

# DIRECT TAX PROPOSALS

Finance Budget 2023-24

NON-RESIDENTS	
Section	Particulars
9	Gift received by Not ordinary Resident (RNOR) after 01th April 2023 amounting to more than Rs. 50,000/-, is fully taxable

EXEMPTIONS	
Section	Particulars
10(10D)	Life Insurance policy, other than unit linked insurance policy having an annual premium payable of Rs.5Lacs, shall not be covered under this section for exemption and the maturity value in such policies are fully taxable.
10(12C)	Amount received by Agniveer and the family from the Agnipath Corpus Fund shall be exempted

NGOS & EDUCATIONAL INSTITUTION	
Section	Particulars
11	Exemption under Section 11 was available only when the return of income was filed on time. However, such a provision was not there in Section 10(23C). The same is inserted by amending the proviso to Section 10(23C). If return is not filed within time limit, such institution will not get exemption either under Section 11 or Section 10(23C).
12	Trust / Institutions must file for extension for application at least two months prior to due date u/s 139(1). Audit report must be filed at least one month prior to due date.

BUSINESS/PROFESSION	
Section	Particulars
43B	<ul style="list-style-type: none"><li>Any business expense payable to MSME, shall be allowed as expense only if paid within 45days.</li><li>Any payments made after 45days shall be allowed only in the year of payment.</li></ul>
44AD	Turnover Limit for Presumptive Taxation increased to Rs.3 Crores for businesses having the amount of cash collection less than 5% of the total turnover.
44ADA	Turnover Limit for Presumptive Taxation increased to Rs.75Lacs for professionals having the amount of cash collection less than 5% of the total turnover.

# DIRECT TAX PROPOSALS

Finance Budget 2023-24

BUSINESS/PROFESSION	
Section	Particulars
	Eligible start-ups to get 100% tax rebate for 3 years and the due date for incorporation extended from 01.04.2023 to 01.04.2024.
35D	Taxpayers claiming amortization of preliminary expenditure are now required to produce specific statements to make such claim.
44BB & 44BBB	Sec. 44BB & 44BBB relating to shipping income and civil contractors' income amended to withdraw the benefit of set-off and carry forward of losses if profits are declared under presumptive basis.

CAPITAL GAINS	
Section	Particulars
48	<u>Cost of Acquisition or Improvement of Capital Asset</u> Interest on Housing Loan, if any not claimed under Sec 24(b) or Chapter VI A can be considered as cost of acquisition of capital asset
50AA	Amount received from transfer or redemption Market Linked Debenture shall be taxed as Short Term Capital Gain after giving deduction for the cost of acquisition and expenses on transfer.
54 & 54F	Capital Gain Exemption for purchase of new house property shall be restricted to Rs.10Crore, and any amount spend above Rs.10 Crore shall not be considered for exemption
45(5A)	Capital gains earned on JDA shall include the payments received by the land owner either in cash, cheque or any other mode.

OTHER SOURCES	
Section	Particulars
56	Maturity amount received from Life Insurance policy, not being exempt U/s 10(10D) shall be taxed under the head other sources after giving the deduction of the aggregate amount of premium paid.

# DIRECT TAX PROPOSALS

Finance Budget 2023-24

CARRY FORWARD OF LOSS	
Section	Particulars
79	Time period for Loss set off in case of startup's increased from existing 7 years to 10 years. <i>Pre-condition to hold 51% of shares in start-ups removed in order to facilitate set-off and carry forward of business losses.</i>

DEDUCTIONS/REBATE	
Section	Particulars
80CCH	Amount of contribution made to Agniveer Corpus Fund under Agnipath Scheme by Individuals shall be allowed as deduction from total income
87A	In case of New Tax Regime Tax Rebate increased from existing Rs.12,500/- to Rs. 25,000/-, provided the total income is below Rs.7Laks

OTHERS	
Section	Particulars
115BBJ	Tax on winnings from online games shall be taxed the rate of 30% on the net winnings.

TDS	
Section	Particulars
194B	TDS on winning from lottery or crossword puzzles etc to be deducted at rates in force without considering any transaction limit.
194BA	TDS on winnings from online games to be deducted on the net winnings at rates in force without considering any transaction limit.
193	Withdrawal of exemption from TDS u/s 193 in respect of listed debt securities in stock exchange
194N	Limit for TDS on cash withdrawals by cooperative societies increased to Rs. 3 Crores.

## TDS RATE CHART

Section	Nature of Payment	TDS Exemption Limit		F.Y 2023-24
192B	Income from Salary	As per the Slab <i>Average rate of Tax + Education Cess + Surcharge (if applicable)</i>		
192A	Accumulated balance of provident fund [Premature Withdrawal]		Rs.50,000	10%
194	TDS on Dividends covered S.2(22)		Rs.5,000	Rates in force
194A	Interest other than Interest on securities	Limit for Senior Citizen Rs.50,000/-	Limit for Others Rs.40,000/-	10%
194C	Payment to Contractors; Sub-contractor, Advertising Contractors (including other transporters)	Rs.30,000 per contract (or) Rs.1,00,000 p.a.		Ind /HUF 1% Others 2%
194DA	Payment in respect of Life Insurance Policy	when Exemption is not available S.10(10D)		5%
194H	Commission / Brokerage	Rs.15,000 p.a.		5%
194-I	Rent on Plant / Machinery	Rs.2,40,000 p.a.		2%
194-I	Land or building or furniture or fitting	Rs.2,40,000 p.a.		10%
194-IA	Payment on transfer of non-agricultural immovable property	Rs.50,00,000 & above (higher of Sale Consideration or SDV)		1%
194J	Fees for Professional Services	Rs.30,000 p.a.		10%
194J	Fees for technical services / operation of call centre services	Rs.30,000 p.a.		2%
194K	Income in respect of Units of Mutual Funds	Rs.5,000 p.a.		10%
194LBA	Income from units of Business Trust			10%
194O	Payment of sums by e-Commerce operators to e-commerce participants towards sale of goods or services through e-commerce operator	Rs.5,00,000 p.a.		1% (with PAN) 5% (without PAN)
194P	Payment of Interest by Bank to Specified Senior Citizen			Rates in force
194Q	Purchase of Any Goods in excess of 50Lakh from a Specified Buyer	Rs.50,00,000 p.a.		0.1%
194R	Key Man insurance policy passed on to the beneficiary	Rs.25,000 p.a.		10%
194-IB	Rent paid by any Indl /HUF (Other than those covered under Sec 194I) to any Resident	Rs.50,000 per month/for part of the month		5%
194-IC	Any person making payment to land owner under a Joint Development Agreement (JDA)	No Limit		10%
194N	Payment of cash during the year by bank/post office/Co-operative Bank to any person	Rs.1Crore & above [Rs.3Crore & above in case of Co-operative society]		2%
206C [1F]	TCS on Sale of Motor Vehicle	Rs.10,00,000 per transaction		1%
206C [1G]	TCS on Sale of Overseas Tour Package by Tour operator			5%
206C [1G]	TCS on Remittance of money outside India made by a person through Authorised Dealer	Rs.7,00,000 p.a.		5%

# INDIRECT TAX PROPOSALS

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# INDIRECT TAX PROPOSALS (GST)

## Finance Budget 2023-24

Central Goods & Service Tax	
Section	Particulars
10	Composition taxpayers engaged in the supply of goods, would be allowed to make intra-state supply through E-commerce operators. This will open huge E-commerce market for small suppliers availing composition scheme to sell their goods on the E-commerce platform.
16	amended for a condition that in cases where a recipient taxpayer fails to pay to their supplier invoice value including the GST within 180 days from the date of issue of invoice, then they must pay with interest computed under Section 50 on it
17(3)	restricted the amount of ITC proportionately, where the goods or services are used by a registered person for effecting taxable supplies and Exempt supplies. The exempt supplies for this purpose included sale of land. Now through the amendment proposed, it shall also include supply of warehoused goods before clearance for home consumption. This will amount to further restricting the ITC for a person making supply warehoused goods.
17(5)	specifies goods or services on which ITC shall not be available. Through the amendment proposed, the Government intends to restrict the ITC also on goods or services or both received by a taxable person which are used or intended to be used for activities relating to his obligations under corporate social responsibility under the Companies Act, 2013.
23	Specifying the persons not liable for registration, shall now have an overriding effect over the provisions of law regarding registration and compulsory registration
37, 39 44, 52	are amended to restrict taxpayers from filing GSTR-1 (return for outward supplies), GSTR-3B (summary returns), GSTR-9 (annual returns), and GSTR-8 (e-commerce operator) for a tax period after the expiry of three years from the due date
54	removing reference to the provisionally accepted input tax credit to align the same with the present scheme of availment of self-assessed input tax credit as per section 41(1)
56	to provide by rules the manner of computation of period of delay for calculation of interest on delayed refunds.
122(1B)	<p>Penalty of Rs.10,000 or an amount equivalent to the amount of tax involved, whichever is higher will be charged for e-commerce operators who-</p> <ul style="list-style-type: none"> <li>○ Allow an unregistered person to supply goods or services or both through them except where such person is exempted from GST registration.</li> <li>○ Allow any registered person from making inter-state supply of goods/services through them where they are ineligible for it.</li> <li>○ Do not furnish accurate details in the GSTR-8 of any sale of goods made through them by a person exempted from obtaining GST registration.</li> </ul>

# INDIRECT TAX PROPOSALS (GST)

## Finance Budget 2023-24

### Central Goods & Service Tax

Section	Particulars
132(1) & 138	<p>The following offences have been de-criminalised-</p> <ul style="list-style-type: none"><li>○ Where a person obstructs or prevents an officer in the discharge of their duties under the CGST Act,</li><li>○ Where a person tampers with or destroys material evidence or documents,</li><li>○ Where a person fails to supply information that is required to be supplied under the CGST Act or Rules or supplies false information.</li></ul> <p>In regard to the compounding of offences, the limits have been changed to 25% of the tax involved up to a maximum amount of 100% of the tax involved.</p>
158A	<p>inserted in the CGST Act to allow businesses to now share GST data digitally with consent. It prescribes the manner and conditions for sharing information furnished by a registered person on the GST portal with such other systems as may be notified, as declared in-</p> <ul style="list-style-type: none"><li>○ Returns filed under GSTR-1/3B/9, or</li><li>○ Application of registration, or</li><li>○ Statement of outward supplies, or</li><li>○ Generation of an e-invoice or e-way bill, or</li><li>○ Any other details, as may be prescribed.</li></ul>

### Integrated Goods & Service Tax

Section	Particulars
2(16)	<p>“non-taxable online recipient” to mean any unregistered person receiving online information and database access or retrieval services located in the taxable territory. It further seeks to clarify that the persons registered solely under section 24(vi) of the CGST Act shall be treated as unregistered person for the purpose of the said clause.</p>
12(8)	<p>determined the place of supply of services by way of transportation of goods is being omitted. This will have implications in respect of place of supply of services by way of transportation of goods, where supplier of services and recipient of services are located in India notwithstanding that the destination of such goods is outside India.</p>

# INDIRECT TAX PROPOSALS (CUSTOMS)

## Finance Budget 2023-24

Customs Act	
Section	Particulars
127C	pertaining to settlement of cases is being amended by way of insertion of sub-section (6) to specify time limit of 9 months from the date of application, for disposal of the application filed before the settlement commission. This will ensure time bound resolution.
	The heading 9801 of the first schedule of Customs Tariff Act, 1975 is being amended to exclude solar power plant/solar power project from the purview of Project Imports with effect from the date of assent to the Finance bill.
	The definition of OIDAR services is being amended to omit the words “Essentially automated and involves minimum human intervention”. This will result in reduction in disputes that have arisen in determining whether supplies which are impossible to ensure in the absence of information technology do involve any human intervention or not.

Customs duties were revised on the following list of items	
Sl.	Particulars
1	National Calamity Contingent Duty (NCCD) on specified cigarettes was increased.
2	The customs duty for importing silver dore, bars and articles has been increased to align them with that on gold and platinum. Further, the duty on jewellery made from precious metals including gold, silver and platinum is increased.
3	Extension is granted to the exemption from BCD on raw materials for manufacturing CRGO Steel, ferrous scrap and nickel cathode.
4	Reduced the basic customs duty on seeds used to manufacture Lab Grown Diamonds (LGDs).
5	Basic customs duty on the electric kitchen chimneys has been increased.
6	Reduced the basic customs duty on parts of open cells of TV panels to encourage domestic manufacturing of television.
7	Customs duty exemption is being continued for the import of capital goods and machinery that are used for manufacturing lithium-ion cells for batteries in electric vehicles.
8	Exemption is also granted for excise duty on GST-paid compressed bio-gas used in blended compressed natural gas.
9	Minor changes are carried out in the basic customs duties, cesses and surcharges on certain consumables imported, such as toys, bicycles, automobiles and naphtha.



# FINANCIAL REPORTS



## 01 FINANCIAL STATEMENTS

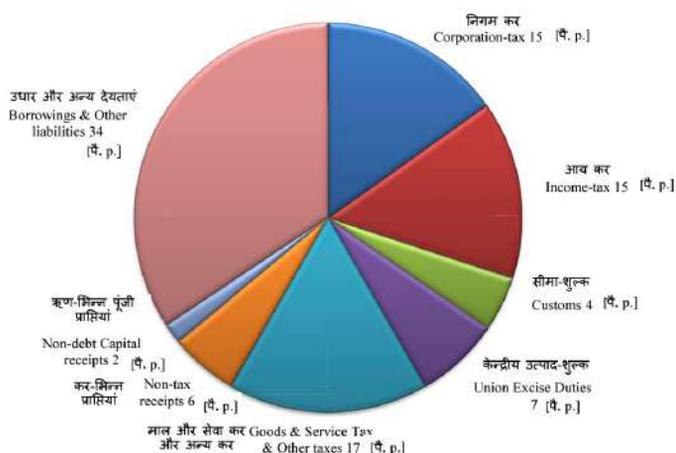
Particulars (Figures in Crores)	2021-22 (Actuals)	2022-23 (Budget Estimates)	2022-23 (Revised Estimates)	2023-24 (Budget Estimates)
<b>REVENUE</b>				
Revenue Receipts	21,69,905	22,04,422	23,48,413	26,32,281
Capital Receipts	16,23,896	17,40,487	18,38,819	18,70,816
<b>Sub-Total</b>	<b>37,93,801</b>	<b>39,44,909</b>	<b>41,87,232</b>	<b>45,03,097</b>
<b>EXPENDITURE</b>				
Revenue Expenditure	32,00,926	31,94,663	34,58,959	35,02,136
Interest Payments	8,05,499	9,40,651	9,40,651	10,79,971
Grants for Capital Assets	2,42,646	3,17,643	3,25,588	3,69,988
Capital Expenditure	5,92,874	7,50,246	7,28,274	10,00,961

## 02 DEFICIT STATISTICS

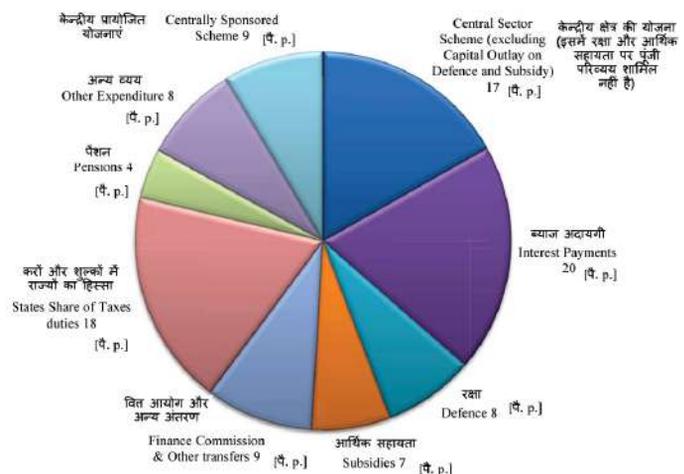
Particulars (Figures in Crores)	2021-22 (Actuals)	2022-23 (Budget Estimates)	2022-23 (Revised Estimates)	2023-24 (Budget Estimates)
Revenue Deficit	10,31,021	9,90,241	11,10,546	8,69,855
Fiscal Deficit	15,84,521	16,61,196	17,55,319	17,86,816
Primary Deficit	7,79,021	7,20,545	8,14,668	7,06,845

## 03 RUPEE MOVEMENT

### Rupee Comes From

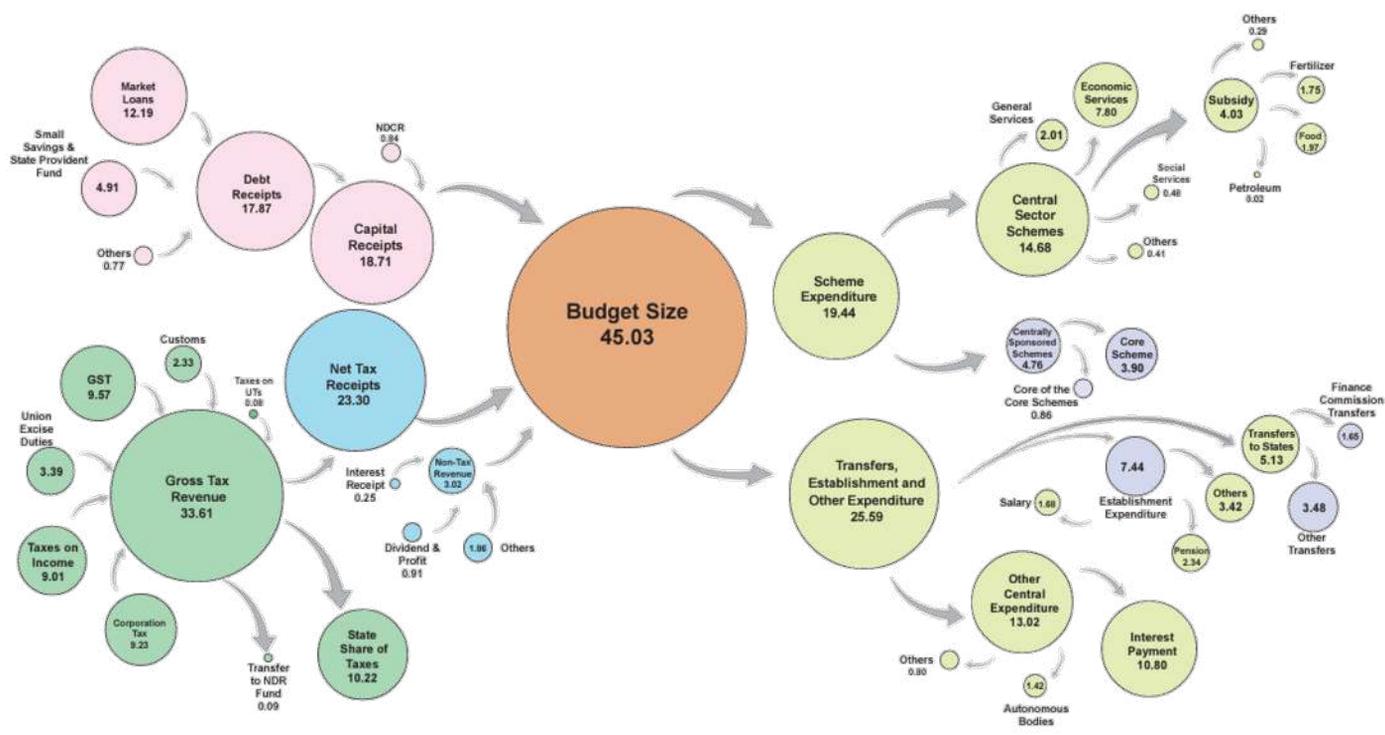


### Rupee Goes To

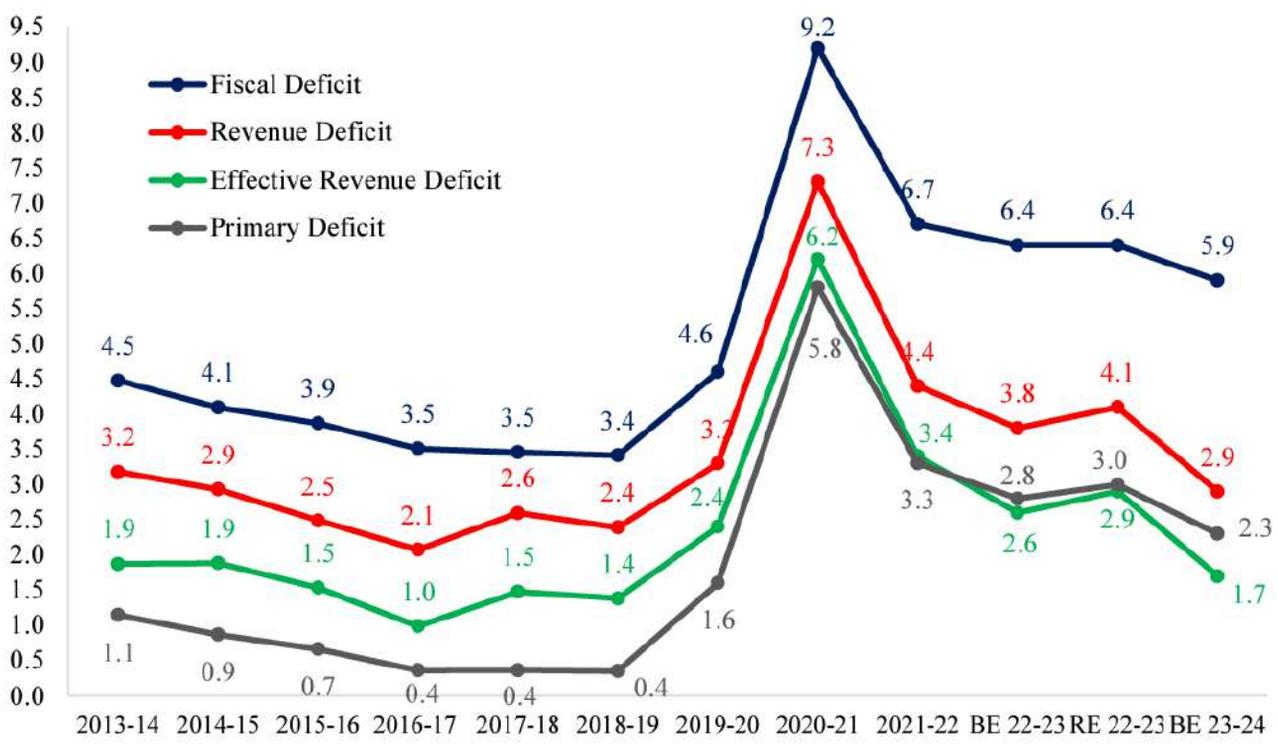


## 04 BUDGET PROFILE

(in lakh crores)



## 05 DEFICIT TRENDS



# TWITTER RESPONSE



**Narendra Modi** 

@narendramodi

India government official

This year's Budget infuses new energy to India's development trajectory. #AmritKaalBudget



**Rahul Gandhi** 

@RahulGandhi

'Mitr Kaal' Budget has:  
NO vision to create Jobs  
NO plan to tackle Mehngai  
NO intent to stem Inequality

1% richest own 40% wealth, 50% poorest pay 64% of GST, 42% youth are unemployed- yet, PM doesn't Care!

This Budget proves Govt has NO roadmap to build India's future.



**Piyush Goyal**  @PiyushGoyal · 6h

Strengthening MSMEs with #AmritKaalBudget!



**Tejasvi Surya**  @Tejasvi\_Surya · 2h

'Make AI for India' & 'Make AI work for India' mantra will galvanizing India's tech talent to build solutions for tomorrow.

Building Centres of excellence for AI at educational institutions will give youth the exposure to innovate for solving common problems.

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