UNION BUDGET

2024-2025

GOPAL CHOPRA & ASSOCIATES
Chartered Accountants

FOREWORD

India stands at the cusp of a transformative journey, poised to emerge as a global economic powerhouse. The economy has been growing is likely to grow by 6.5% to 7% this year with prospects of clocking 7%-plus growth in coming years, as per the Economic Survey for 2023-24.However to promote inclusive growth India needs togenerate employment opportunities for the youth and spur consumption . The Fiscal deficit at 5.6% for the financial 24 has improved from the last financial year needs to be bought down further.

The Union Budget 2024 is more than just a financial statement; it is a bold blueprint outlining our nation's aspirations. This budget marks a significant milestone, being the first full-year budget of the re-elected government, and it underscores our unwavering commitment to building a 'Viksit Bharat'.

At the heart of this budget lies a focus on inclusive growth, ensuring that the benefits of progress reach every citizen. By investing heavily in youth, agriculture, infrastructure, and technology, the aim is to create an India where every individual has the opportunity to thrive.

A cornerstone of our strategy is to generate ample employment opportunities. The budget allocates a substantial Rs. 2 lakh crore over five years for skilling and creating jobs, particularly for the youth. This, coupled with a strong emphasis on MSMEs and the middle class, will propel our economy towards new heights.

While this budget lays the foundation for a prosperous India, it is merely the first step in a comprehensive economic plan. The government is committed to developing a detailed economic policy framework, outlining specific strategies and targets to achieve our vision of a developed nation. This framework will build upon the nine strategic priorities outlined in the budget, ensuring a coordinated and holistic approach to our development goals.

01
Productivity and resilience in Agriculture

02
Employment and Skilling

03
Inclusive HR Development & Social Justice

04
Manufacturing and Services

05
Urban Development

06
Energy Security

07
Infrastructure

08
Innovation, research and Development

10
Next Generation Reforms

The budget also introduces several measures to enhance tax compliance and simplify the tax regime. The increased standard deduction, revised tax slabs, and changes in capital gains tax are aimed at providing relief to taxpayers while broadening the tax base.

ECONOMIC INDICATORS

GDP GROWTH RATE

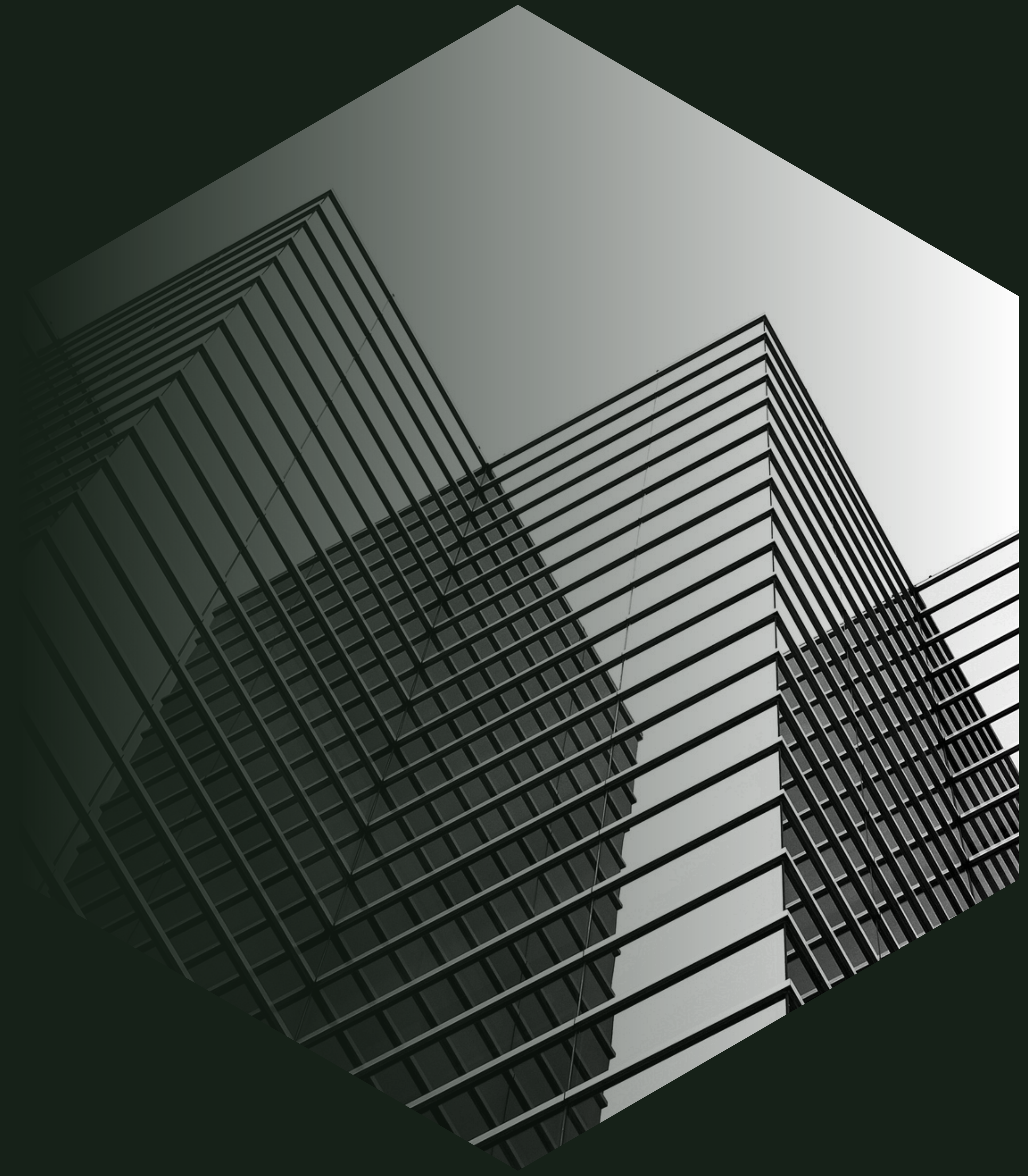
GDP (Gross Domestic Product) growth rate is a fundamental measure of a nation's economic health, reflecting the overall increase in the value of goods and services produced within a specific period.

India's GDP growth rate for FY 2023-24 was estimated at a robust 8.2%, marking a significant acceleration from the previous year's 7.0%. This impressive performance solidified India's position as one of the fastest-growing major economies globally.

KEY DRIVERS OF GROWTH

Several factors contributed to India's strong GDP growth:

- Manufacturing Sector Boom: The manufacturing sector witnessed a remarkable turnaround, expanding by 9.9% after contracting in the previous year.
- Mining Sector Recovery: The mining sector also rebounded strongly, contributing to overall growth.
- Continued Services Sector Strength: The services sector, a major contributor to GDP, maintained its positive trajectory.



A BROADER ECONOMIC PERSPECTIVE

While the GDP growth rate is a crucial indicator of economic health, it's essential to consider other economic factors for a comprehensive picture. These include:

- **Inflation**: Although largely under control, inflation in certain food items remains a concern.
- **Trade Balance**: India's trade deficit narrowed compared to the previous year.
- **Current Account**: The current account registered a surplus in the final quarter of FY 2023-24.

These factors, combined with the robust GDP growth, indicate a generally positive economic outlook for India.

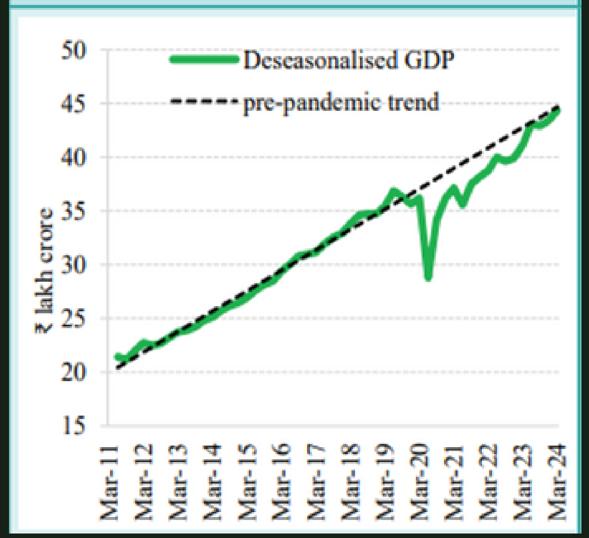


Chart I.26: A recovery to pre-pandemic trajectory in GDP

Global trade experienced a slowdown in 2023, resulting in a modest decline in merchandise exports growth. While imports contracted at a faster pace than exports, and the services trade surplus expanded, the overall contribution of net exports to GDP diminished. However, this was offset by a surge in fixed investment, which sustained domestic economic momentum. Consequently, the economy successfully recovered from the pandemic's impact, with most sectors returning to pre-pandemic growth trajectories.

CAPITAL EXPENDITURE

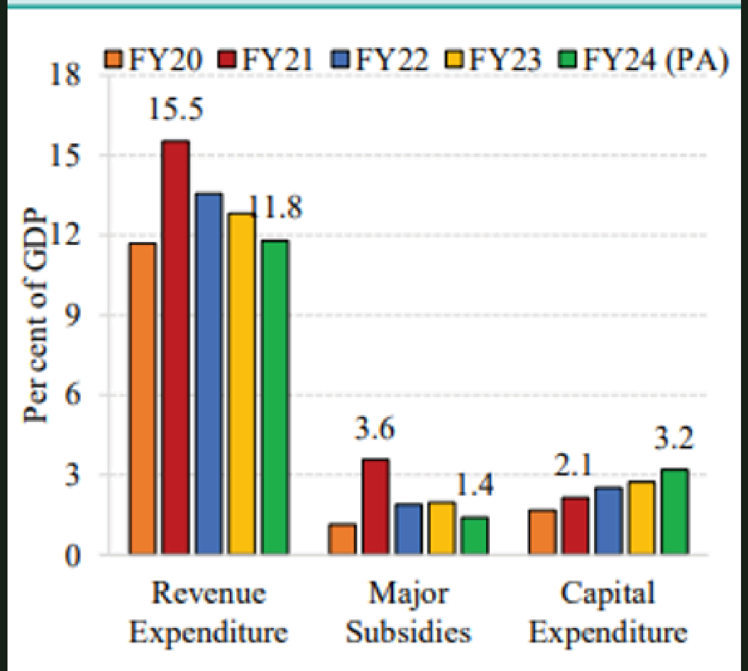
Capital Expenditure: A Key Driver of Growth

Capital expenditure (Capex) has emerged as a pivotal force in India's economic resurgence. The Economic Survey of 2023-24 underscores its critical role in driving growth and creating long-term assets.

Key Highlights from the Economic Survey

- **Public Capex as a Catalyst**: The survey emphasizes the government's sustained focus on public capex, which has been instrumental in reviving the investment cycle. The consistent increase in capital expenditure over the past few years has been a cornerstone of the government's growth strategy.
- **Private Sector Participation**: While public investment has been a major driver, the survey also highlights the growing participation of the private sector in capital formation. Improved business sentiment and balance sheet health have encouraged private investments.
- **Infrastructure Push**: The government's emphasis on infrastructure development, supported by substantial capital expenditure, is expected to create multiplier effects on the economy, generate employment, and enhance productivity.
- **Crowding-in Effect**: The Economic Survey suggests that the government's capex has a crowding-in effect, encouraging private investment. As public infrastructure improves and project execution accelerates, it creates opportunities for private businesses to participate.

Chart I.39: Prudent management of expenditure



<u>Trends in Central Governmrnt Expenditure</u>

The government has pursued fiscal consolidation while prioritizing social welfare and investment. Revenue expenditure was curtailed, but essential programs like free food grains for 81.4 crore citizens were maintained. Simultaneously, capital expenditure was increased, shifting focus to productive spending. This strategy led to a decline in total expenditure from 17.7% of GDP in FY21 to 15.0% in FY24.

CONSUMER PRICE INDEX

Consumer Price Index (CPI) and Economic Survey 2023-24

The Consumer Price Index (CPI) is a crucial economic indicator measuring changes in the prices of goods and services consumed by households. The Economic Survey 2023-24 provides valuable insights into India's inflation trajectory.

Key Highlights from the Economic Survey

- **Inflation Management**: The survey acknowledges the government's efforts in managing inflation, especially given the global challenges posed by supply chain disruptions and geopolitical tensions.
- **Food Inflation**: While headline inflation has been relatively contained, the survey highlights the persistent challenge of food inflation, particularly for certain items.
- **Supply-Side Measures**: The government's focus on improving agricultural productivity, enhancing food supply chains, and implementing targeted interventions to address supply-side bottlenecks has been instrumental in mitigating inflationary pressures.
- **Global Factors**: The survey emphasizes the impact of global commodity prices and geopolitical developments on domestic inflation, underscoring the need for continued vigilance.
- **Monetary Policy**: The role of the Reserve Bank of India (RBI) in managing inflation through monetary policy measures is recognized, and the survey highlights the importance of coordination between fiscal and monetary policies.

Overall Assessment

The Economic Survey 2023-24 provides a comprehensive overview of the inflation landscape in India. While challenges persist, particularly on the food inflation front, the government's proactive measures and the RBI's monetary policy actions have contributed to maintaining overall price stability.

DIRECT TAX

PERSONAL TAXES

- **Reduction of slab rate for new regime (Section 115BAC)**
    - In the Union Budget presented on July 23, 2024, Finance Minister Nirmala Sitharaman introduced modifications to the tax framework that will take effect from the fiscal year 2024-25.
    - These changes encompass revisions to the tax slabs, which determine the rates applied to individuals based on their income levels.
    - The primary objective of these adjustments is to alleviate the tax burden on taxpayers significantly, potentially reducing their tax liabilities.
    - These alterations are pivotal as they influence the financial contributions made by individuals and businesses to government revenue, with the broader goal of stimulating economic growth and enhancing the financial well-being of taxpayers.

Total Income (Rs)	Tax Rates
Up to 3,00,000	NIL
3,00,001 to 7,00,000	5%
7,00,001 to 10,00,000	10%
10,00,001 to 12,00,000	15%
12,00,001 to 15,00,000	20%
15,00,001 and above	30%

Note: Income tax slabs, rates, surcharge, cess, rebate, standard deduction remain unchanged under the optional old tax regime.

Standard Deduction

- The standard deduction for salaried employees has increased from ₹50,000 to ₹75,000.
- Salaried individuals can now deduct ₹75,000 from their taxable income, up from ₹50,000 previously.
- This adjustment aims to offer additional tax relief to salaried employees.
- The increase in standard deduction could potentially lower the overall tax liability for salaried individuals.
- Ultimately, this change is intended to boost take-home pay for salaried employees.

Family Pension Deduction

- The deduction on family pension for pensioners has been raised from ₹15,000 to ₹25,000.
- Pensioners can now deduct up to ₹25,000 from their family pension income before calculating taxes, compared to the previous ₹15,000.
- This increase aims to provide greater tax relief to pensioners receiving family pensions.

Non-Government Employer Contribution to New Pension Scheme

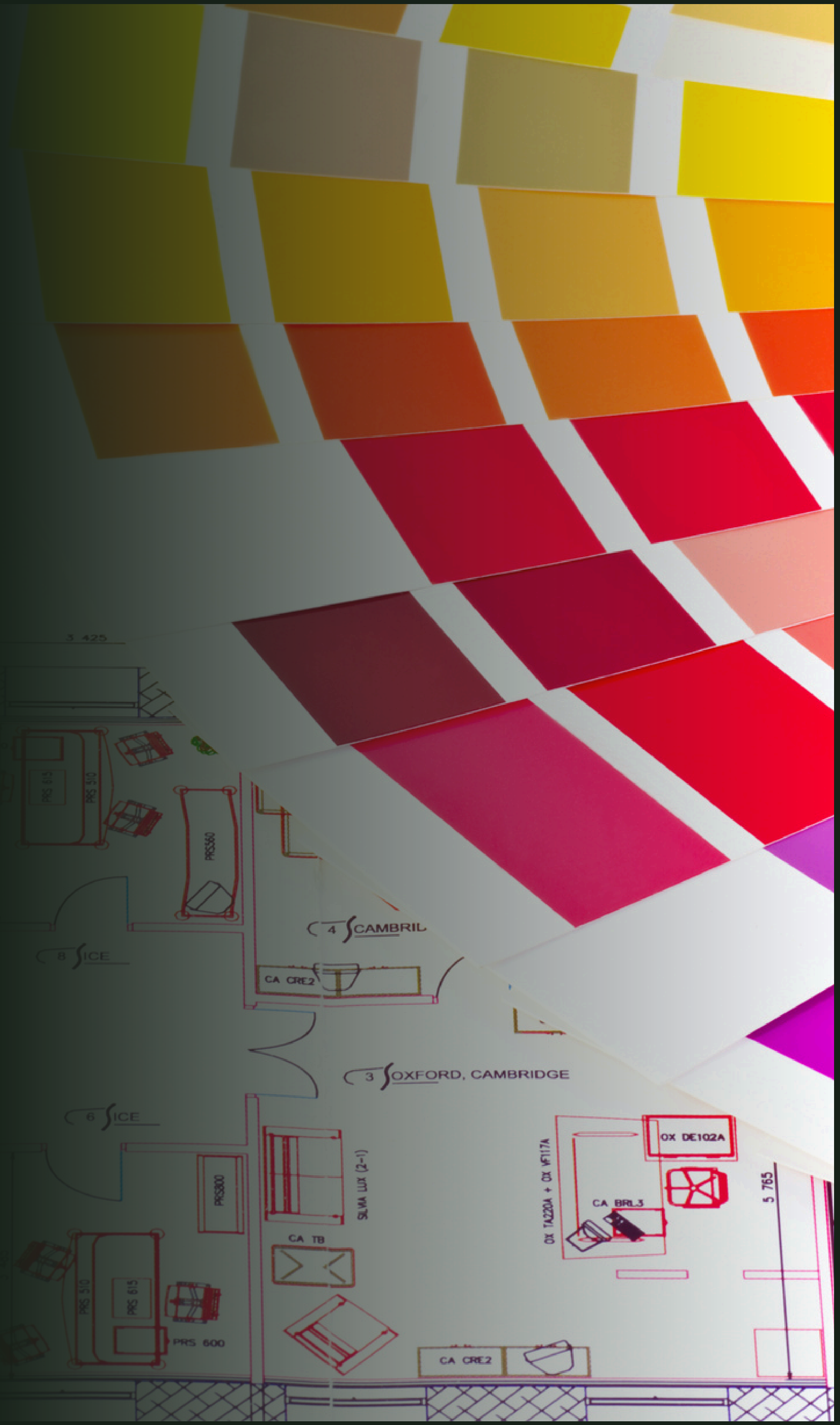
- Current Deduction Limit for non-government employer contribution to the New Pension Scheme (NPS): 10% of salary.
- Proposed Deduction Limit: Increased to 14% of salary.
- Implication: Non-government employees can now deduct up to 14% of their salary for contributions to the NPS.

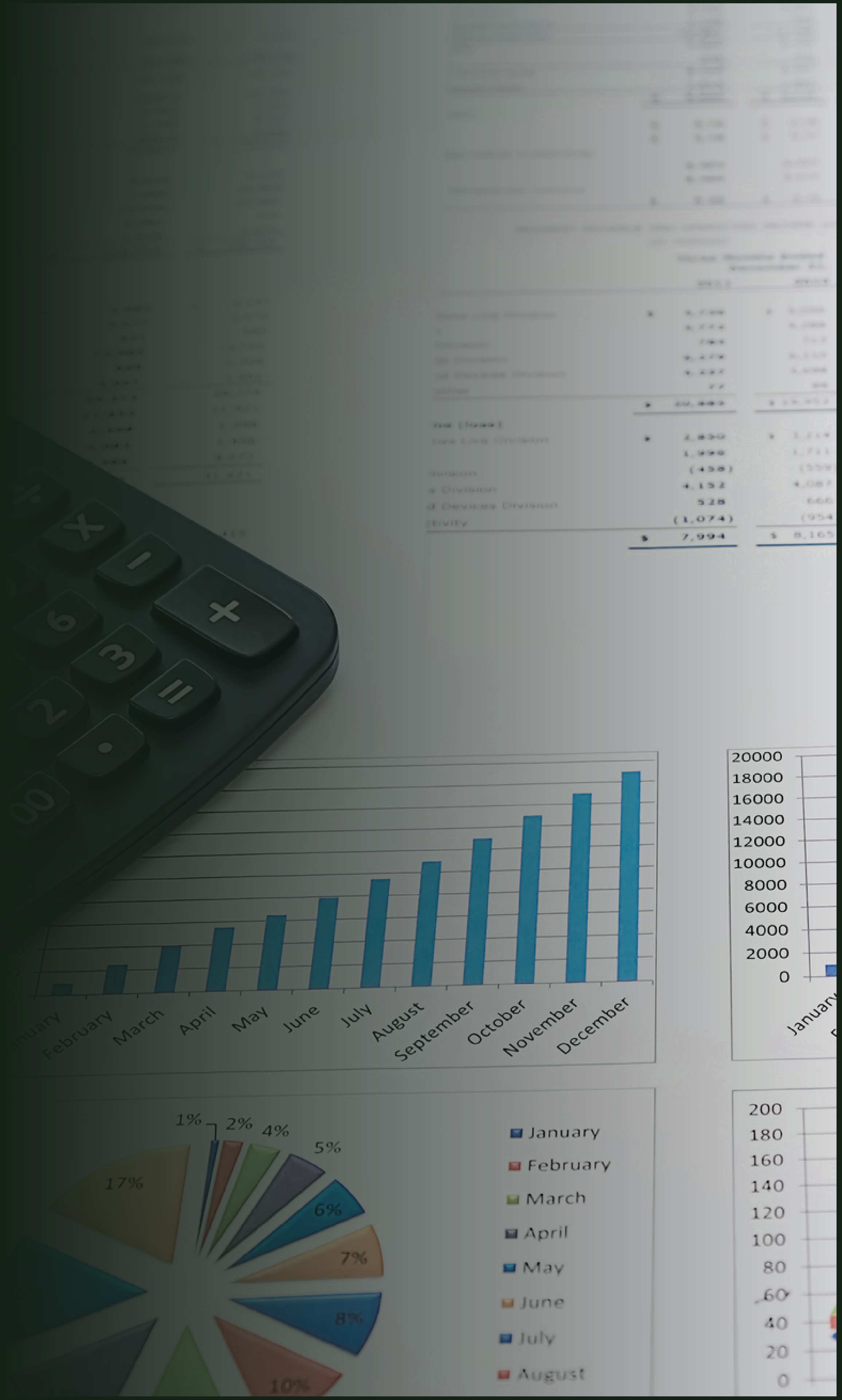
Miscellaneous

- 1.Effective October 1, 2024, employees will be able to provide details of taxes deducted and taxes collected at source to their employers for the computation of withholding tax liability on their salary income.
- 2.Additionally, for individuals domiciled in India, any income tax clearance certificate required at the time of departure from the country must include a reference to liabilities under the Black Money Law, also effective from October 1, 2024.
- 3.For ordinarily resident individuals, the non-disclosure of foreign assets (excluding immovable property) with an aggregate value of up to INR 2,000,000 will not attract penalties under the Black Money Law, effective from October 1, 2024.

CAPITAL GAIN

- **Standardization of Holding Periods:** The holding periods for determining capital gains tax have been standardized to promote clarity and consistency across different asset classes.





Listed Securities	Unlisted shares and Immovable Property	Other Assets
Listed securities, including equity shares and units of business trusts, will have a uniform holding period of 12 months.	Unlisted shares and immovable property will continue to maintain a 24-month holding period.	Assets such as bonds, debentures, and gold will now have a consistent holding period of 24 months
This simplification aims to facilitate easier tax calculations and compliance for investors in publicly traded instruments.	This ensures continuity in the treatment of less liquid and potentially higher-value assets under the tax regime.	Previously, bonds and debentures had a longer 36-month holding period, which has now been reduced to align with other non-equity investments.

All LISTED ASSETS	Earlier STCG	Now STCG	Holding Period	Holding Changed?	Earlier LTCG	Now LTCG
Stocks	15%	20%	12 months	No	10%	12.50%
Equity Mutual Funds	15%	20%	12 months	No	10%	12.50%
Debt and non-Equity MFs	Slab Rate	Slab Rate	N/A	Yes, earlier same for STCG & LTCG	Slab Rate	Slab Rate
Bonds(Listed)	Slab Rate	20%	12 months	No	10%	12.50%
REITs/InVITs	15%	20%	12 months*	Yes, earlier 36 months	10%	12.50%
Equity FoFs	Slab Rate	20%	N/A	Yes, earlier same for STCG & LTCG	Slab Rate	12.50%
Gold/Silver ETF	Slab Rate	20%	12 months	Yes, earlier same for STCG & LTCG	Slab Rate*	12.50%
Overseas FoFs	Slab Rate	Slab Rate	24 months	Yes, earlier same for STCG & LTCG	Slab Rate	12.50%
Gold Funds	Slab Rate	Slab Rate	12 months	Yes, earlier same for STCG & LTCG	Slab Rate	12.50%

Note: Annual LTGC exempt hiked from Rs. 1 Lakhs to Rs. 1.25 Lakhs for stocks and equity Mutual Fund

All UNLISTED ASSETS	Earlier STCG	Now STCG	Holding Period	Holding Changed?	Earlier LTCG	Now LTCG
Real Estate (Physical)	Slab rate	Slab rate	24 months	No	20%**	12.50%
Bonds (Unlisted)	Slab rate	Slab rate	24 months	Yes, earlier same for STCG & LTCG	Slab rate	Slab rate
Physical Gold	Slab rate	Slab rate	24 months	Yes, earlier 36 months	20%**	12.50%
Stocks (Unlisted)	Slab rate	Slab rate	24 months	No	20%**	12.50%
Foreign equities/debt	Slab rate	Slab rate	24 months	No	20%**	12.50%

*Other than those investing 90% in equity ETFs

** With indexation
Those investing in funds with at least 65% equity

All changes effective for assets sold after 23rd July 2024

Note: Annual LTGC exempt hiked from Rs. 1 Lakhs to Rs. 1.25 Lakhs for stocks and equity Mutual Fund

- **STT on Futures and Options**
  - The Securities transaction tax rate to be increased w.e.f from 01st October, 2024.

Transaction	Old Rate (%)	New Rate (%)
Sale of Option in Securities	0.0625	0.1
Sale of Futures in Securities	0.0125	0.02

- **Inclusion of Unlisted Debentures and Bonds**
  - Unlisted debentures and bonds now taxed at applicable rates under section 50AA for both short-term and long-term gains.

- **Removal of Indexation Benefit**
  - Indexation benefit removed for long-term capital gains calculations on property, gold, and other unlisted assets under section 48.

- **Transfer of Capital Assets**
  - The capital gains tax exemption for the transfer of capital assets under a gift, will, or irrevocable trust will apply only to such transfers made by individuals or Hindu Undivided Families (HUFs) and not by other taxpayers, effective from April 1, 2024.

- **Parity in Taxation for Residents and Non-Residents**
  - Amendments to sections 115AD, 115AB, 115AC, 115ACA, and 115E to align taxation rates for long-term and short-term capital gains between residents and non-residents.
  - This ensures that both resident and non-resident taxpayers are subject to similar rates of taxation on their capital gains.

- **Consequential Amendments to Withholding Tax Provisions**
  - Amendments under sections 196B and 196C to align withholding tax provisions with the proposed changes in rates of capital gains tax.
  - These changes aim to ensure consistency and compliance with the new tax rates and provisions.

CORPORATE TAXES

- There is no change in the corporate tax rates for Indian companies.
- Reduction in Corporate Tax Rate for Foreign Companies:
  - The corporate tax rate for foreign companies is being reduced from 40% to 35%.
  - This reduction aims to enhance India's competitiveness in attracting foreign investment by aligning corporate tax rates more closely with global standards.
  - Lowering the tax burden on foreign companies can encourage them to establish or expand their operations in India, contributing to economic growth and job creation.

- **Taxing Income from Buyback (w.e.f. 01st October, 2024)**
  - The proposal suggests taxing the income received by shareholders from buybacks of shares directly in their hands.
  - Taxing this income aligns with efforts to ensure all forms of income are treated uniformly under the tax regime.
  - This measure helps prevent tax avoidance strategies where companies might use buybacks as a tax-efficient way to distribute profits.
- **Angel Taxation**
  - The Angel Tax on primary investments in shares of closely held companies will not apply starting from the financial year 2024-25.

TAX DEDUCTION AND COLLECTION AT SOURCE (TDS & TCS)

- **The TDS rates under the following provisions rationalised from 5 per cent to 2 per cent:**

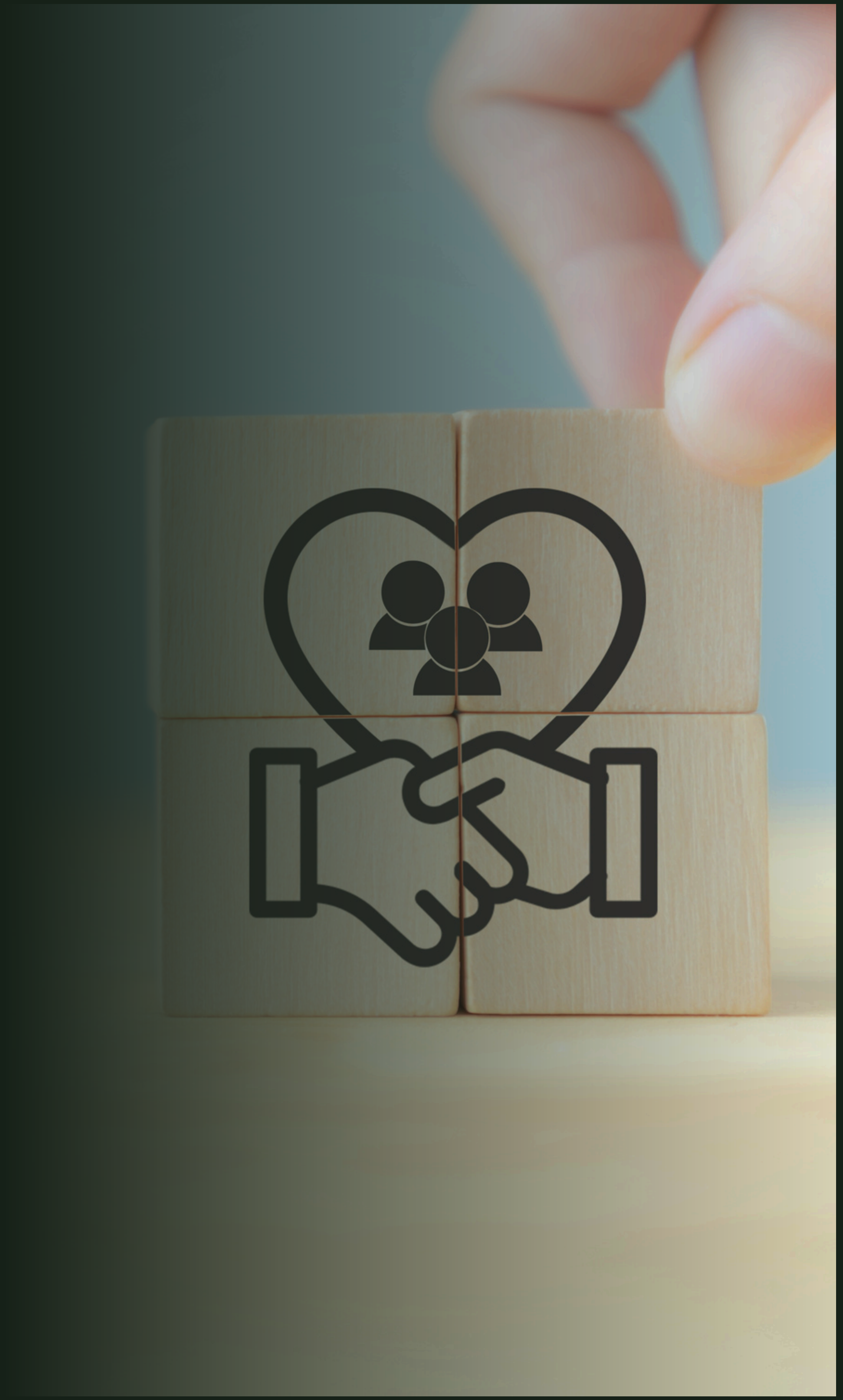
Section	Description	Effective Date
194 D	0.0625	Existing
194 DA	Payment in respect of life insurance policy	1st October, 2024
194 H	Payment of commission or brokerage	1st October, 2024
194-IB	Payment of rent by certain individuals or HUF	1st October, 2024
194 M	Payment of certain sums by certain individuals or Hindu Undivided Family	1st October, 2024

- The TDS rate on payments made by e-commerce operators to e-commerce participants for the sale of goods or provision of services has been reduced from 1% to 0.1%, effective from October 1, 2024.
- The interest rate for late deposit of TCS has been increased from 1% to 1.5%.
- A time limit has been introduced for filing correction statements for TDS/TCS returns. These correction statements must be submitted within six years from the end of the financial year in which the original TDS/TCS return was filed.
- The time limit for deeming a person as an assessee-in-default for failure to deduct the whole or part of the tax on payments, now includes payments to non-residents. This time limit is aligned with that for residents, being six years from the end of the financial year in which the payment or credit was made, or two years from the end of the financial year, in which the correction statement (as mentioned above) is filed, whichever is later.

- Applications for a lower rate of TDS on the purchase of goods or TCS on the sale of goods are now permissible, effective from October 1, 2024.
- Prosecution shall not be initiated if TDS is deposited on or before the due date for filing the quarterly TDS statement for the relevant period, effective from October 1, 2024.

CHARITABLE TRUST AND INSTITUTIONS

- The tax exemption regime for trusts and institutions will be simplified by phasing out the initial exemption regime under section 10(23C) of the Act and transitioning to the second regime governed by sections 11 to 13 of the Act. Starting from October 1, 2024, all new exemption applications must be filed under the second regime. Other necessary changes are proposed to ensure effective implementation and smooth integration.
- The timelines for filing applications for approval under section 80G of the Act to claim tax exemptions have been streamlined.
  - Charitable institutions with similar objectives, registered under either exemption regime [section 10(23C) or section 12A of the Act], are allowed to merge without incurring taxes on accreted income.
  - Contributions to the National Sports Development Fund will be eligible for deduction under section 80G of the Act.



INTERNATIONAL TAXATION

- Safe Harbour Rates for Foreign Mining Companies Selling Raw Diamonds

- Safe harbour rates are being provided for foreign mining companies involved in selling raw diamonds.
- This measure aims to provide clarity and certainty in tax liabilities for foreign companies engaged in diamond mining and trading, potentially attracting more foreign investment in this sector.

VIVAD SE VISHWAS SCHEME

- **Applicability**
  - Disputes and appeals, including writs and special leave petitions (Appeal[s]), filed by either the taxpayer or the tax authorities and pending as of July 22, 2024, before the following forums:
    - The Supreme Court, High Courts, Income Tax Appellate Tribunal, and Commissioner/Joint Commissioner (Appeals)
    - The Dispute Resolution Panel (DRP) or cases where DRP directions have been issued but the final assessment order is still awaited
    - Revision petitions pending before the Commissioner of Income Tax

Payable Amount

S.No.	Nature of Tax Arrear	The Amount Payable on or Before 31 December 2024	The Amount Payable on or After 1 January 2025 but on or before the last date*
(a)	Aggregate amount of disputed tax, interest on such disputed tax and penalty levied or leviable on such disputed tax:		
	- Appeal filed 31 January 2020 but on or before 22 July 2024	100% of disputed tax	110% of disputed tax
	- Appeal pending at same forum on or before 31 January 2020	110% of disputed tax	120% of disputed tax
(b)	Disputed interest/penalty/fee:		
	- Appeal filed 31 January 2020 but on or before 22 July 2024	25% of disputed interest/penalty/fees	30% of disputed interest/penalty/fees
	- Appeal/revision petition pending at same forum on or before 31 January 2020	30% of disputed interest/penalty/fees	35% of disputed interest/penalty/fees
(c)	The amount payable would be reduced to 50% in the following cases: - Where the taxpayer's Appeal related to an issue, which has been decided in its favor by the Income Tax Appellate Tribunal/ High Court (and not reversed by the High court or the Supreme Court, as the case may be). - The Appeal has been filed by tax authorities.		

Note: Last Date to be Notified

- If the tax payable under VsV 2.0 is less than the amount already paid during litigation, the excess amount will be refunded without any interest.
- In cases where the dispute involves the reduction of MAT/AMT credit or loss/depreciation, an option will be available to either include the amount of tax related to such credit/loss/depreciation in the disputed taxes or to carry forward the reduced MAT/AMT credit or loss/depreciation.

OTHERS

- Income from renting out a 'residential house' will be taxed under the head 'income from house property' rather than as 'profit and gains from business or profession.'
- The thresholds for filing of appeals by Tax Department in the Tax Tribunals, High Courts and Supreme Court increased to INR 6 million, INR 20 million and INR 50 million, respectively.
- The limit on remuneration paid to working partners by a firm (including an LLP), which is allowed as a deduction in the calculation of business income, is proposed to be revised as follows:

Particulars	Revised deduction limit
On the first INR 600,000 of the book-profit or in case of a loss	INR 300,000 or at the rate of 90 per cent of the book-profit, whichever is higher
On the balance of the book-profit	at the rate of 90 per cent of the book-profit

- A TDS rate of 10% is proposed on payments made to a partner by a firm (including an LLP) in the form of salary, remuneration, commission, bonus, or interest, if the amount credited or paid exceeds INR 20,000 in a financial year, effective from April 1, 2025.

INDIRECT TAXES

GST AND CUSTOM DUTY REFORMS

- **Implementation of GST:** The introduction of the Goods and Services Tax (GST) has significantly transformed India's indirect tax landscape, leading to enhanced tax efficiency, reduced compliance costs, and increased revenue generation.

- **GST Optimization:** Ongoing efforts are directed towards further simplifying and rationalizing the GST structure to optimize its benefits for taxpayers and the economy.

- **Expansion of GST Base:** The government remains committed to expanding the GST net to encompass all goods and services, fostering a more comprehensive and equitable tax system.

- **Strategic Role of Customs Duty:** Customs duty is recognized as a crucial instrument for supporting domestic manufacturing, promoting exports, and protecting domestic industries.

- **Customs Duty Rationalization:** A comprehensive review of customs duty rates will be undertaken to streamline trade processes, eliminate duty inversions, and create a more conducive business environment.

- **Enhancing Tax Compliance:** These reforms collectively aim to create a more efficient, competitive, and taxpayer-friendly indirect tax regime.

GOODS AND SERVICE TAX

Amendments in CGST Act, 2017

- Tax Changes
  - **Exemption of Extra Neutral Alcohol**: Extra Neutral Alcohol used in making alcoholic beverages will no longer be taxed centrally.
  - **Regularization of Non-Levy or Short Levy**: Government can now regularize instances where taxes were not or partially levied due to common trade practices.
  - **Input Tax Credit Relaxation**: Extended time limits for claiming input tax credit for specific financial years and cases of registration cancellation.
  - **Prohibition of Refund**: Refund of unutilized input tax credit or integrated tax on zero-rated export goods subject to export duty is prohibited.
- Procedural Changes
  - **Demand Notices and Orders:** Common time limits for issuing demand notices and orders based on fraud or non-fraud cases. Increased time for taxpayers to pay tax and reduce penalty.
  - **Demand Notices and Orders**: Common time limits for issuing demand notices and orders based on fraud or non-fraud cases. Increased time for taxpayers to pay tax and reduce penalty.

- **Pre-Deposit for Appeals**: Reduced pre-deposit amounts for filing appeals with Appellate Authority and Appellate Tribunal.
- **Interest and Penalty Waiver**: Conditional waiver of interest and penalty for specific financial years under certain conditions.
- **Transitional Credit**: Clarification on claiming transitional credit for input services received by Input Service Distributors.
- **Anti-Profiteering**: Government can notify GST Appellate Tribunal to handle anti-profiteering cases and set a deadline for accepting applications.
- **Insurance Services**: Clarification on taxation of co-insurance premiums and services by insurers to reinsurers.
- **Reverse Charge Mechanism**: Specific provision for issuing invoices by recipient in RCM cases.

- **Reverse Charge Invoicing:** Enabling provision to prescribe time limit for issuing invoices under reverse charge mechanism.
- **TDS Return Filing:** Mandatory monthly filing of TDS returns even without deductions.
- **Appellate Tribunal:** Government can specify cases to be heard only by the Principal Bench of the Appellate Tribunal.
- **Electronic Commerce Operators:** Penal provisions under Section 122(1B) limited to e-commerce operators collecting tax at source.
- **Demand and Penalty Provisions:** Amendments to demand and penalty provisions for alignment with new time limits and redetermination of penalties in certain cases.
- **Input Tax Credit Blockage:** Restriction on input tax credit blockage for tax paid under Section 74 to demands up to FY 2023-24.
- **Registration Cancellation:** Enabling clause for prescribing conditions and restrictions for revoking registration cancellation

Amendments in IGST Act

- **Exemption of Extra Neutral Alcohol:** IGST will no longer be levied on Extra Neutral Alcohol used to manufacture alcoholic beverages for human consumption.
- **Regularization of Tax Non-Levy or Short Levy:** The government can now rectify instances where IGST was not fully levied or not levied at all due to common trade practices.
- **Zero-Rated Supplies and Refunds:** The government can specify goods or services eligible for zero-rated supply and corresponding IGST refunds, subject to conditions. However, no refund will be allowed for zero-rated supplies that are also subject to export duty.
- **Reduction in Pre-Deposit Amounts:** The maximum amount required as a pre-deposit for filing appeals with the Appellate Authority and Appellate Tribunal has been reduced.

CUSTOMS

Duty Rate Changes

1. **Agricultural Goods :** The BCD on Shea nuts has been reduced from 30% to 15%.

2. **Critical Minerals:**
   - **BCD Reduction to Nil**: Basic Customs Duty (BCD) has been eliminated for a wide range of critical minerals including antimony, beryllium, bismuth, cobalt, copper, and many others.
   - **BCD Reduction to 2.5%**: BCD has been reduced to 2.5% for graphite, silicon quartz, and silicon dioxide.

3. **Aqua-farming and Marine Sector**
   - **Reduction in BCD for Aquaculture Inputs:**
     - BCD reduced to 5% on prawn and shrimp feed, fish feed, live shrimp broodstock, and artemia cysts.
     - BCD reduced to nil on pre-dust breaded powder for seafood processing.
   - **Support for R&D:**
     - BCD reduced to 5% on insect meal and single-cell protein for aquatic feed research and development.
   - **Other Changes:**
     - BCD reduced to 5% on SPF polychaete worms.

4. **Chemicals and Petrochemicals**
   - **Ammonium Nitrate:**
     - A duty hike is implemented, with Basic Customs Duty (BCD) increased from 7.5% to 10%.
   - **PVC Products:**
     - A tariff rate adjustment is made for Customs Tariff Heading (CTH) 3920 and 3921 products. Notably, PVC Flex Films and Flex Banners will face a higher duty of 15% effective July 24, 2024, due to the Provisional Collection of Taxes Act, 2023. However, other PVC items classified under CTH 3920 and 3921 will maintain the existing 10% duty rate through an amendment to Notification No. 50/2017-Customs.

5. **Drugs**
   - The BCD has been fully exempted on the following Cancer Drugs:
     - Trastuzumab Deruxtecan
     - Osimertinib
     - Durvalumab

6. Textile and Leather Sector

- Reduced BCD on MDI for spandex yarn production.
- Lowered BCD on real down filling for garment exports.
- Extended exemption for wet and finished leather for garment and footwear exports.
- Expanded exemption for garment and footwear accessories.

7. Electronic goods and equipment

Product/Component	Old BCD Rate	New BCD Rate	Conditions
Cellular mobile phone	20%	15%	
PCBA of cellular mobile phone	20%	15%	
Charger/adapter of cellular mobile phone	20%	15%	
Oxygen Free Copper (OFC) Strip	5%	0%	For use in manufacture of resistors, subject to IGCR
Mechanics and die-cut parts (Chapters 39, 73, 40, 70, 76)	Concessional	Concessional	Expanded exemption
Input items/raw material for connectors	Concessional	Concessional	Expanded exemption
PCBA of specified telecom equipment	10%	15%	

8. Precious Metal

The duty rates on precious metals have been reduced from:

Commodity	BCD		AIDC		Total Duty
	From	To	From	To	
Gold Bars	10%	5%	5.00%	1.00%	6%
Gold Dore	10%	5%	4.35%	0.35%	5.35%
Platinum	10%	5%	5.40%	1.40%	6.40%
Silver Bar	10%	5%	5.00%	1.00%	6%
Silver Dore	10%	5%	4.35%	0.35%	5.35%

9. Other Metals

Product	Old BCD Rate	New BCD Rate	Validity
Ferro-Nickel	2.50%	0%	
Blister Copper	5%	0%	
Ferrous Scrap	Exempt	Exempt	Up to 31.3.2026
Copper Scrap	2.50%	2.50%	Continued
Specified Raw Material for CRGO Steel	Exempt	Exempt	Up to 31.3.2026 (Expanded)

Summary

Changes in Custom Duty	Beneficiaries
Fully exempt 3 more cancer medicines from custom duties	Affordable medicines
Reduce BCD to 15% on Mobile phone, Mobile PCBA and charger	Mobile industry
Reduce custom duty on gold and silver to 6% and platinum to 6.4%	Domestic value addition
Reduce BCD on shrimp and fish feed to 5%	Enhance competitiveness in marine exports
Exempted more capital goods for Manufacturing of solar	Support energy transition
Fully exempt custom duties on 25 critical minerals	Boost to strategic sectors

THANK YOU

GOPAL CHOPRA & ASSOCIATES
Chartered Accountants

2024-2025

TELEPHONE
+91-9810784915

DELHI ADDRESS
34 Babar Lane, Bengali Market, New Delhi, Delhi-110001

NOIDA ADDRESS
A-44, Sector 4, Noida-201301

WEBSITE
www.gca-associates.com