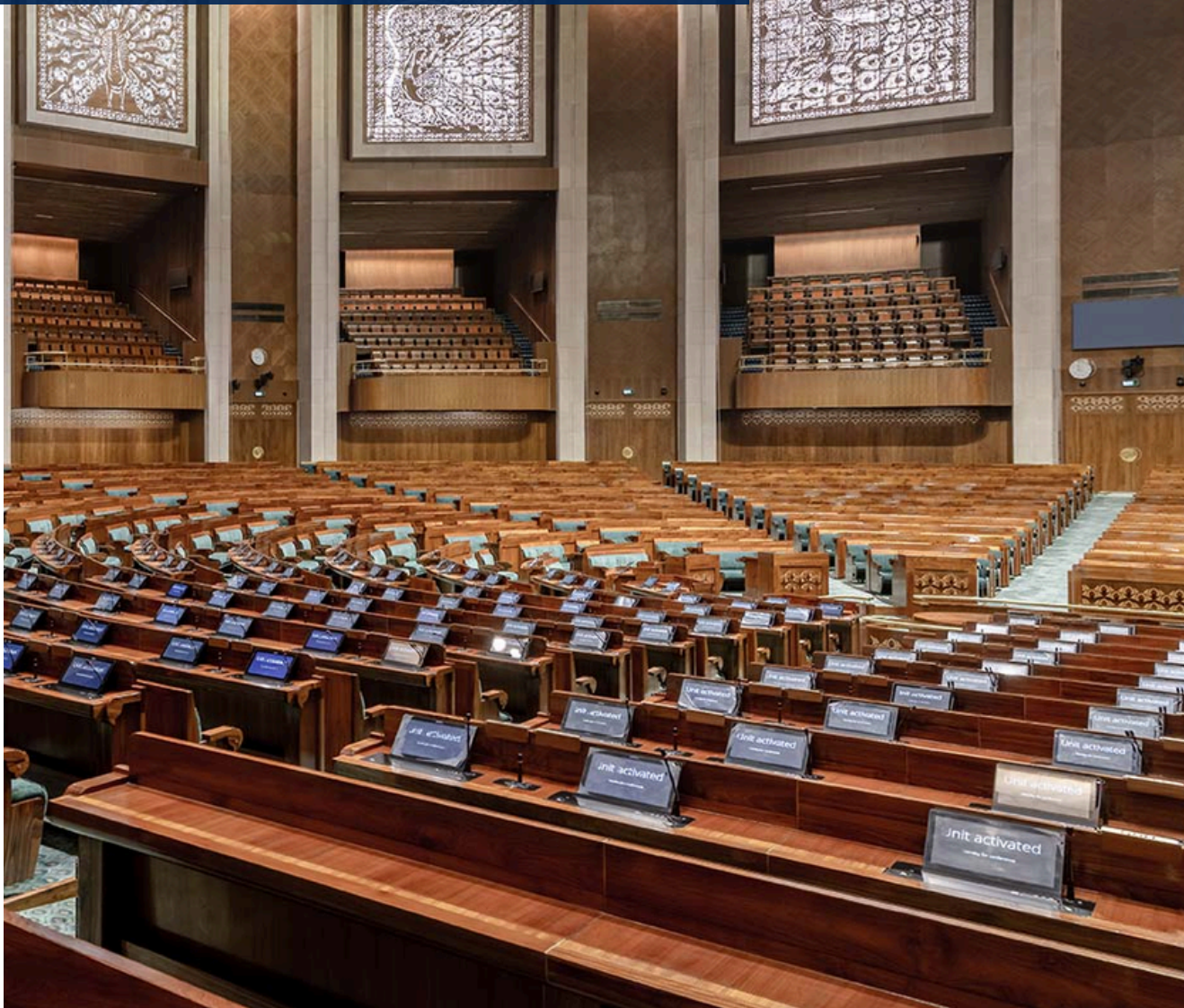


# INDIAN UNION BUDGET 2024-25

A comprehensive guide





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# INTRODUCTION

The Union Budget for the fiscal year 2024-2025 serves as a vital blueprint for India's economic strategy, laying out the government's financial policies and priorities for the coming year. This comprehensive document outlines how the government plans to manage its resources, fund various initiatives, and address key economic challenges.

For 2024-2025, the budget estimates total receipts, excluding borrowings, at ₹32.07 lakh crore and total expenditure at ₹48.21 lakh crore. Net tax receipts are projected to reach ₹25.83 lakh crore, with a fiscal deficit forecasted at 4.9% of Gross Domestic Product (“GDP”). In terms of market borrowings, the budget anticipates gross and net borrowings at ₹14.01 lakh crore and ₹11.63 lakh crore, respectively, both of which are lower than the previous year's figures. These figures highlight the government's ongoing efforts to manage fiscal responsibility while pursuing growth.

Building on the fiscal consolidation strategy initiated in 2021, the government aims to reduce the deficit below 4.5% in the next fiscal year. Additionally, from 2026-27 onwards, there is a clear commitment to maintaining a declining debt-to-GDP ratio, reflecting a long-term approach to fiscal stability and economic health.





The budget is expected to include significant allocations for infrastructure development, social welfare programs, and economic reforms designed to stimulate growth and enhance public services. It will also address areas such as investment in digital infrastructure, support for rural and urban development, and measures to promote ease of doing business. It deals with nine priorities of union budget i.e.,

- (i) Productivity and resilience in Agriculture
- (ii) Employment & Skilling
- (iii) Inclusive Human Resource Development and Social Justice
- (iv) Manufacturing & Services
- (v) Urban Development
- (vi) Energy Security
- (vii) Infrastructure
- (viii) Innovation, Research & Development
- (ix) Next Generation Reforms

This guide will delve into the key components of the Union Budget 2024-2025, providing insights into its major provisions, economic implications, and the government's strategic objectives. Through this detailed examination, readers will gain a clearer understanding of how the budget shapes India's economic landscape and its impact on various sectors.





# PRODUCTIVITY AND RESILIENCE IN AGRICULTURE

In the Financial Year 2024-25 budget, the government has allocated Rs. 1.52 crores to agriculture and allied sectors, prioritizing productivity and resilience. A comprehensive review of the agricultural research setup will be conducted to focus on raising productivity and developing climate-resilient varieties, with the release of 109 new high-yielding and climate-resilient varieties of 32 field and horticulture crops. The government plans to establish 10,000 need-based bio-input resource centers to strengthen production, storage, and marketing.

In partnership with states, the government will implement Digital Public Infrastructure (“DPI”) in agriculture to cover farmers and their lands over the next three years, starting with a digital crop survey for Kharif in 400 districts, which will include the details of 6 crore farmers and their lands in the registries.

The issuance of Jan Samarth-based Kisan Credit Cards will be enabled in five states, and financial support will be provided to set up a network of Nucleus Breeding Centres for Shrimp Broodstocks, with financing facilitated through National Bank for Agriculture and Rural Development (“NABARD”). Additionally, a National Systematic Policy will be introduced to accelerate rural economic growth and create large-scale employment opportunities.



# EMPLOYMENT SCHEMES

The government will implement three schemes under the Prime Minister's package for 'Employment Linked Incentive':

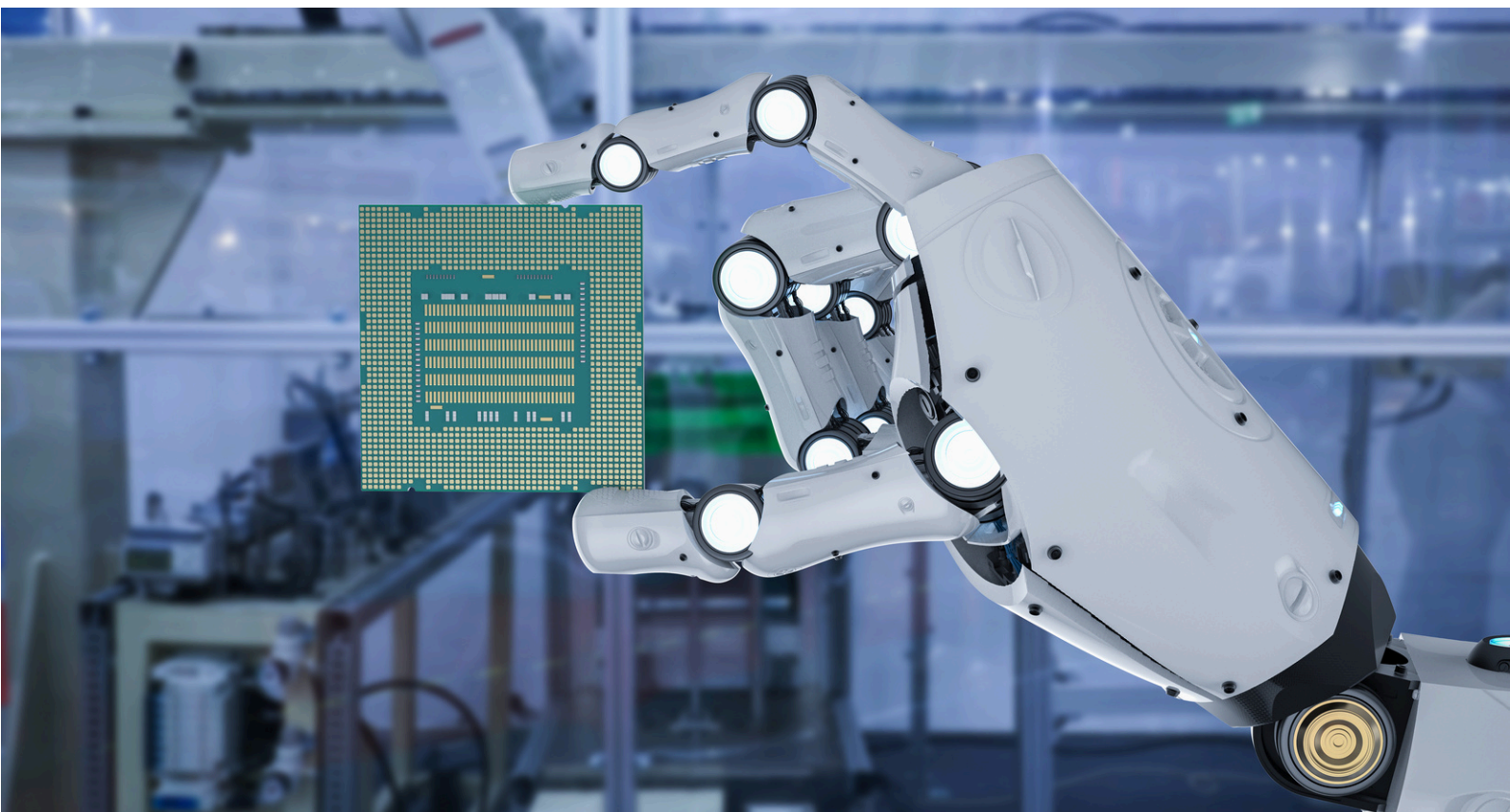
**1. First Timers:** This scheme offers a one-month wage to all individuals newly entering the workforce in formal sectors. A direct benefit transfer of one month's salary, up to ₹15,000, will be provided in three installments to first-time employees registered in the Employees' Provident Fund Organisation ("EPFO"). The eligibility limit is a salary of up to ₹1 lakh per month, with an expected benefit for 210 lakh youth.

**2. Job Creation in Manufacturing:** This scheme incentivizes additional employment in the manufacturing sector, particularly targeting first-time employees. Both the employee and employer will receive incentives related to their EPFO contributions during the first four years of employment.

**3. Support to Employers:** This scheme covers additional employment across all sectors, providing reimbursement to employers of up to ₹3,000 per month for two years towards their EPFO contribution for each additional employee earning a salary of up to ₹1 lakh per month. The scheme aims to incentivize the additional employment of 50 lakh persons.







To enhance women's workforce participation, the government will establish working women hostels in collaboration with industry and creches. Additionally, women-specific skilling programs and market access promotion for women Self-Help Group (“SHG”) enterprises will be organized.

The government also announced a centrally sponsored scheme for skilling, as the fourth scheme under the Prime Minister's package. This initiative, in collaboration with state governments and industry, will skill 20 lakh youth over five years.

Approximately 5,000 Industrial Training Institutes (“ITIs”) will be upgraded using a hub-and-spoke model with an outcome-oriented approach. The Model Skill Loan Scheme will be updated to allow loans up to ₹7.5 lakh with a guarantee from a government-promoted fund, benefiting around 25,000 students annually.

Additionally, the government has announced loans of up to ₹10 lakhs for higher education in domestic institutions for youth not eligible for other government schemes and policies. E-vouchers will be provided directly to 1 lakh students annually for an annual interest subvention of 3 percent of the loan amount.



# INCLUSIVE HUMAN RESOURCE DEVELOPMENT AND SOCIAL JUSTICE

The finance department has allocated Rs. 2.66 lakh crore for rural development, including rural infrastructure projects.

The government is set to launch the "Purvodaya" plan for comprehensive development in the eastern region of India, covering Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh. This initiative aims to enhance human resource development, infrastructure, and economic opportunities, positioning the region as a key driver toward a developed India (Viksit Bharat). As part of this plan, the government will support the establishment of an industrial node at Gaya on the Amritsar-Kolkata Industrial Corridor, envisioning it as a model for transforming historical cultural centers into modern economic hubs.

Key infrastructure projects under this plan include the construction of the Patna-Purnea Expressway, the Buxar-Bhagalpur Expressway, spurs connecting Bodhgaya, Rajgir, Vaishali, and Darbhanga, and an additional two-lane bridge over the Ganga River at Buxar, with a total investment of Rs. 26,000 crore. Additionally, a new 2400 Megawatts ("MW") power plant will be established at Pirpainti, costing Rs. 21,400 crore. Plans also include the development of new airports, medical colleges, and sports infrastructure in Bihar.







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The Central Government will provide Rs. 15,000 crores in special financial support through multilateral development agencies to meet the commitments outlined in the Andhra Pradesh Reorganization Act. This support includes financing and completing the Polavaram Irrigation Project, a crucial lifeline for Andhra Pradesh and its farmers.

The government will also provide 3 crore additional houses under the PM Awas Yojana in rural and urban areas across the country. Over Rs. 3 lakh crore has been allocated for schemes benefiting women and girls, enhancing their role in economic development.

The Pradhan Mantri Janjatiya Unnat Gram Abhiyan will be launched, targeting saturation coverage for tribal families in tribal-majority villages and aspirational districts to improve socio-economic conditions, benefiting 5 crore tribal people across 63,000 villages.

To expand banking services, the government will establish more than 100 branches of India Post Payment Bank in the northeastern region.



# MANUFACTURING AND SERVICES

This part of budget focus and develop focus to enhance growth and global competitions through a comprehensive package encompassing financing, regulatory reforms, and technology for Micro, Small, and Medium Enterprises (“MSME”) and labour-intensive manufacturing sector. These initiatives aim to bolster MSME growth, competitiveness, and resilience, driving economic development and job creation.



Following are the schemes and reforms brought forward by the Hon'ble Finance Minister.

- **Credit Guarantee Scheme** – This scheme helps facilitate term loans for MSMEs to purchase machinery and equipment without collaterals. It offers a guarantee cover up to Rs. 100 crore.
- **New Credit Assessment Model** – Under this regulation, public sector banks will develop an in-house credit assessment model based on digital footprints to provide loan to MSMEs. This is expected to prove effective against the traditional asset or turnover-based criteria used.





- Support During Stress Periods – This will ensure a mechanism to ensure continued credit availability for MSMEs during stress periods through a government-promoted guarantee funds.
- Enhanced Mudra Loans – It will increase the limits for Mudra loans to Rs. 20 Lakhs for entrepreneurs who have successfully repaid previous loans.
- TReDS Onboarding – It shall reduce the turnover threshold required for mandatory onboarding on the TReDS platform, facilitating working capital for more MSMEs.
- SIDBI Expansion – It is proposed to open new branches of SIDBI to serve all major MSME clusters.
- Support for Food Irradiation and Testing – It will provide financial support for setting up multi-product food irradiation units and food quality and safety testing labs.
- E-Commerce Export Hubs – Establishment of e-commerce export hubs to help MSMEs and artisans access international markets, leveraging public-private partnerships.



To promote manufacturing and services sector, several initiatives have been proposed –

- A comprehensive internship program will provide opportunities for 1 crore youth in 500 top companies over five years, with allowances and company contributions.
- Investment-ready "plug and play" industrial parks will be developed in or near 100 cities, with 12 more parks under the National Industrial Corridor Development Programme.
- Rental housing for industrial workers will be facilitated in PPP mode.
- Reforms in ownership, leasing, and flagging will boost the shipping industry, while a Critical Mineral Mission will focus on domestic production, recycling, and acquisition of critical minerals.
- The government will auction offshore mining blocks and develop Digital Public Infrastructure ("DPI") applications to enhance productivity and innovation across various sectors.
- An Integrated Technology Platform will improve Insolvency and Bankruptcy Code ("IBC") outcomes, and the Centre for Processing Accelerated Corporate Exit ("C-PACE") which shall expedite voluntary closure of Limited Liability Partnership ("LLPs").





# URBAN DEVELOPMENT

1. The government shall work with states to develop “Cities as Growth Hubs’ through economic and transit planning and orderly peri-urban development using town planning schemes.
2. Creative Redevelopment of Cities – A framework for policies, market-based mechanisms, and regulations to support the creative redevelopment of existing cities.
3. 14 large cities with population of 3 million and above proposed to be developed on transit-oriented development plan. The plan is to be formulated, along with its implementation and financial strategies involved.
4. PM Awas Yojana Urban 2.0 – This Yojana will address housing needs for 1 crore urban poor and middle-class families with an investment of Rs. 10 Lakh Crore, including Rs. 2.2 Lakh Crore as central assistance over the next five years. Alongside, interests and subsidies for affordable loans will also be provided.
5. Water Supply and Sanitation – The government in collaboration with State Government and Multilateral Development Banks, will promote water supply, sewage treatment, and solid waste management projects for 100 large cities. These projects will include using treated water for irrigation and filling nearby tanks.
6. Street Markets – Upon success of PM SVANidhi Scheme, government now envisions to develop 100 weekly “haats” or street food hubs in select cities each year over the next five years.



# INFRASTRUCTURE

This year, 11,11,111 crore has been allocated for capital expenditure, which constitutes 3.4% of the Gross Domestic Product (“GDP”). Similarly, states will be encouraged to invest in infrastructure at a comparable scale, supported by a provision of 1.5 lakh crore in long-term interest-free loans for resource allocation. Additionally, private sector investment in infrastructure will be promoted through viability gap funding, enabling policies, and the introduction of a market-based financing framework.

1. Phase IV of the Pradhan Mantri Gram Sadak Yojana (“PMGSY”) will be launched to provide all-weather connectivity to 25,000 rural habitations, newly eligible due to population increases. In terms of irrigation and flood mitigation, Bihar has frequently suffered from floods, many originating outside the country, with plans for flood control structures in Nepal yet to progress.

2. The government, through the Accelerated Irrigation Benefit Programme and other sources, will provide financial support for projects estimated at `11,500 crore, including the Kosi-Mechi intra-state link and 20 other ongoing and new schemes like barrages, river pollution abatement, and irrigation projects.

3. Surveys and investigations of Kosi-related flood mitigation and irrigation projects will also be undertaken. Assam, grappling with annual floods from the Brahmaputra River and its tributaries, will receive assistance for flood management and related projects. Himachal Pradesh, which suffered extensive flood losses last year, will get support for reconstruction and rehabilitation through multilateral development assistance.

4. Similarly, Uttarakhand, which faced losses from cloud bursts and massive landslides, and Sikkim, recently devastated by flash floods and landslides, will both receive government assistance for recovery and rebuilding efforts.



# INNOVATION, RESEARCH AND DEVELOPMENT

A mechanism will be established to spur private sector-driven research and innovation at a commercial scale, with a financing pool of 1 lakh crore, in line with the interim budget announcement. In the realm of the space economy, we aim to expand it fivefold in the next 10 years and, to support this ambition, a venture capital fund of 1,000 crore will be set up.

## NEXT GENERATION REFORMS

### 1. Economic Policy Framework

We will formulate an Economic Policy Framework to outline the overarching approach to economic development and set the scope for the next generation of reforms aimed at facilitating employment opportunities and sustaining high growth. Our government will initiate and incentivize reforms to improve the productivity of factors of production and to make markets and sectors more efficient.

These reforms will encompass land, labor, capital, entrepreneurship, and technology as an enabler of improving total factor productivity and bridging inequality. Effective implementation of these reforms requires collaboration between the Centre and the states, as the development of the country hinges on the development of the states.

To promote competitive federalism and incentivize states for faster implementation of reforms, a significant part of the 50-year interest-free loan will be earmarked. Working with the states, we will initiate these reforms to ensure comprehensive development.

### 2. Land related Reforms

State governments will implement land-related reforms in both rural and urban areas, focusing on administration, planning, and management. In rural areas, reforms include assigning Unique Land Parcel Identification Numbers ("ULPIN"), digitizing cadastral maps, surveying land subdivisions, establishing a land registry, and linking it to the farmers' registry to facilitate credit flow and agricultural services.



Urban reforms involve digitizing land records with Geographic information system (“GIS”) mapping and creating an IT-based system for property record and tax administration, enhancing the financial position of urban local bodies.

### 3. Labour-related Reforms

Our government will enhance labor services by integrating the e-shram portal with other platforms to offer a comprehensive one-stop solution, featuring databases to connect job seekers with employers and skill providers.

The Shram Suvidha and Samadhan portals will be revamped for easier compliance. Additionally, a financial sector vision and strategy document will be introduced to address the economy's financing needs, preparing the sector in terms of size, capacity, and skills, and guiding future reforms and regulations.





# DIRECT TAXES

1. The government aims to simplify taxes, improve taxpayer services, provide tax certainty, and reduce litigation while enhancing revenues for development and welfare schemes.
2. Income-Tax Review – Government aims to make the Act concise, clear, and understandable while reducing disputes and litigation. Initial steps include simplifying tax regimes for charities, Tax Deducted at Source (“TDS”) rates, reassessment, search provisions, and capital gain taxation.
3. Charities and TDS – Aim is to merge tax exemption regimes for charities, lower TDS rates, and decriminalize delayed TDS payments up to the filing date.
4. Limitation to reopen assessments on escaping incomes of Rs. 50 Lakhs or more for search cases reduced to six years.
5. Capital Gains – short term capital gain (20%) and long term capital gain (12.5%), In case of listed Financial Asset and unlisted Financial Asset the holding duration must be 1 year and 2 year respectively.





6. Digitalization – All major GST, Customs, and Income Tax services will be paperless within 2 years.
7. An increase in officers to address appeal backlogs and introduce the Vivas Se Vishwas Scheme 2024 to resolve income tax dispute has been proposed.
8. Monetary limits – An increase has been made for filing appeals in various courts to reduce litigation and provide certainty in international taxation. Tax Tribunals, High Court limit and Supreme Court to Rs. 60 Lakhs and Rs. 2 Crore and Rs. 5 Crores respectively.
9. Abolition of Angel tax for all investors to support startups.
10. Reduction in corporate tax rate for foreign companies from 40% to 35%
11. Simplify tax regime for foreign shipping companies operating domestic cruises.
12. Provide safe harbor rates for foreign mining companies selling raw diamonds.
13. Tax on Security Transactions and tax on futures and options are increased by 0.2% and 0.1% respectively.
14. Increase NPS from 10% to 14% of the employee's salary.
15. Decriminalization of non-reporting of small foreign assets up to ₹20 lakh.
16. Withdraw the 2% equalization levy, expand tax benefits for certain funds and entities in Indian Financial System Code ("IFSCs"), and offer immunity from penalties for benamidar disclosures.
17. Increase standard deductions for salaried employees and family pensioners.

# INDIRECT TAXES

## Goods and Services Tax

1. The government has announced an Amnesty scheme for disputes from July 1, 2017, to March 31, 2020, involving notices under Section 73 or Section 74, where no fraud, suppression, or misstatement allegations are established. This scheme waives interest and penalties upon payment of the tax by the notified date and applies to disputes pending before various authorities or withdrawn High Court petitions.

Additionally, from Financial Year (“FY”) 2024-25, a new Section 74A will standardize the limitation periods for cases involving fraud, suppression, and misstatement, requiring notices within 42 months of the annual return and Adjudication Orders within 12 months of the Show Cause Notice.

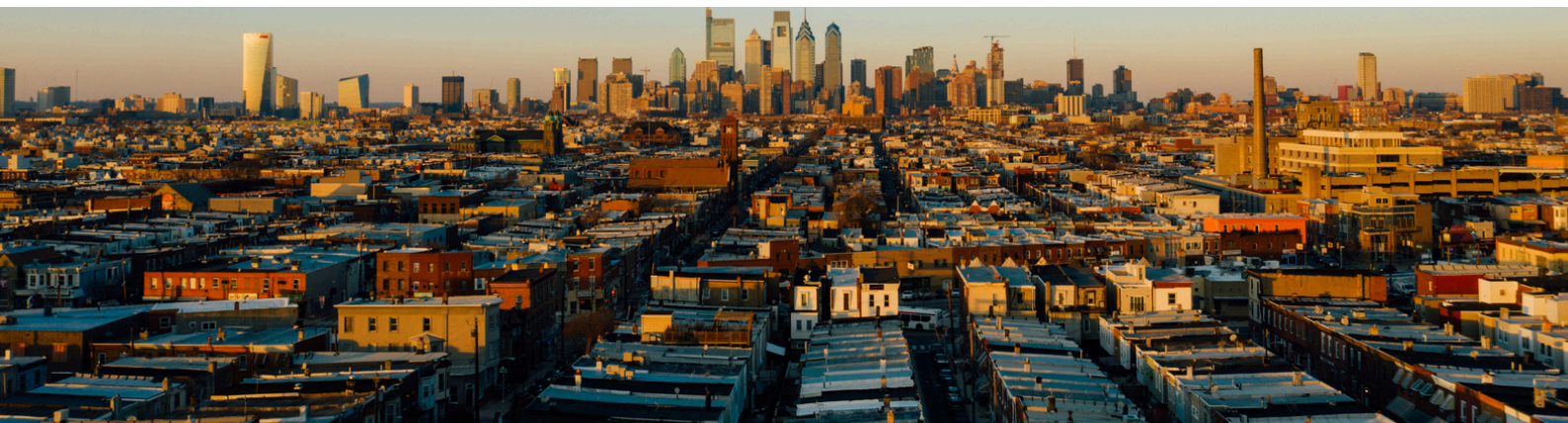
The Central Goods and Services Tax (“CGST”) Act's Schedule III has also been amended to provide relief to the insurance industry, classifying the apportioning of co-insurance premiums by the lead insurer as "no supply," provided the tax is paid, and excluding facilitation services to a re-insurer involving deducted re-insurance or ceding commissions from being considered a supply.

2. The proposed amendments include a change to Section 70 (1A) of the CGST Act, allowing individuals summoned under the Act to appear either in person or through an authorized representative, which is expected to ease the burden of departmental investigations for taxpayers.

Additionally, a new proviso in Section 16 of the Integrated Goods and Services Tax (“IGST”) Act will deny refunds of unutilized credit or IGST paid on Zero-Rated Supplies if the exported goods are subject to export duty, with a similar restriction on refunds for supplies to Special Economic Zone (“SEZ”) developers or units.







3. The proposed amendments extend the time limit for claiming Input Tax Credit (“ITC”) under Section 16 of the CGST Act for the fiscal years 2017-18, 2018-19, 2019-20, and 2020-21, including cases of registration cancellation and subsequent restoration, provided the credit was permissible at the time of cancellation. This retrospective amendment provides significant relief to businesses by allowing them more time to avail of ITC.

Additionally, clarificatory amendments to Section 9 of the CGST Act, Section 7 of the Union Territory Goods and Services Tax (“UTGST”) Act, and Section 5 of the IGST Act exclude "undenatured extra neutral alcohol or rectified spirit used in the manufacture of alcoholic liquor for human consumption" from GST, addressing pending disputes and clarifying the tax treatment of these substances.

4. Effective August 1, 2024, the time limit for filing appeals to the Tribunal under Section 112 will begin from either the date notified by the Central Government or the date of communication of the impugned order, whichever is later, to account for delays in the Tribunal's operationalization.

Additionally, proposed amendments to Sections 107 and 112 reduce the pre-deposit requirements for appeals, lowering the maximum amount before the Appellate Authority from INR 25 crores to INR 20 crores (CGST and SGST each) and reducing the pre-deposit amount before the GSTAT from 25% to 10% of the tax in dispute, with a maximum cap also reduced from INR 50 crores to INR 20 crores (CGST and SGST each).

5. A proposed addition to the CGST Act, Section 11A, allows for the waiver of Central Tax if it has not been levied or has been short-levied due to a prevailing general practice, with similar provisions proposed in the IGST, UTGST, and GST (Compensation to States) Acts.



Additionally, the definition of the "time of supply" under Section 13 is revised to set the tax liability at the earliest of either the date of the invoice issued by the supplier or the recipient under reverse charge, replacing the previous criterion of the date of receipt of services. The amendment also introduces a requirement under Section 31(3) to specify the period for issuing an invoice under reverse charge, clarifying the time of supply in such cases. Furthermore, an amendment to Section 30 will make the revocation of registration cancellations conditional, subject to criteria set by GST authorities.

6. A proposed amendment to Section 171 of the CGST Act introduces an anti-profiteering sunset clause, allowing the Central Government to set a final date for receiving applications related to anti-profiteering cases, with appeals to be adjudicated solely by the Principal Bench of the Tribunal.

Additionally, amendments to Sections 31 and 39 mandate that suppliers registered solely for tax deduction at source are considered "Suppliers who are not registered," requiring the recipient to issue an invoice under reverse charge. It is also mandatory for these suppliers to file an electronic return monthly, irrespective of whether any deductions were made.

7. The CGST Act's Section 140 is being amended retrospectively from July 1, 2017, to allow Input Service Distributors ("ISDs") to claim transitional credit for input services, even if the invoices for these services were received before, on, or after the appointed date.

Additionally, Section 75, which outlines penalties, is being amended to reduce the penalty to 10% of the tax amount if an appellate authority determines that allegations of fraud, suppression, or misstatement are not established, down from the standard penalty equal to the tax amount in such cases.



8. Section 17 of the CGST Act is being amended to align with the introduction of Section 74A, effective from the fiscal year 2024-25, limiting credit restrictions related to payments under Section 74 to demands up to FY 2023-24.

Additionally, the restriction on credit for payments made following seizures and confiscations under Sections 129 and 130 has been removed. Furthermore, an amendment to Section 140 allows Input Service Distributors (“ISDs”) to avail transitional credit for input services received before the appointed day, regardless of the invoice date, addressing transitional credit issues from the GST rollout, effective from July 1, 2017.

### **Excise**

The government has introduced retrospective relaxations and exemptions under two key notifications. Firstly, Notification No. 12/2012-CE has been amended to extend the deadline for submitting the final Mega Power Project Certificate from 120 to 156 months and the period for providing bank guarantees from 126 to 162 months, effective June 29, 2017, to address past defaults.

Secondly, Notification No. 12/2017-CE, dated March 17, 2017, has been retroactively amended to exempt all excisable goods (excluding petroleum crude, high-speed diesel, motor spirit, natural gas, Automatic transmission fluid (“ATF”), tobacco, and tobacco products) from the Clean Environment Cess on stock as of July 30, 2017, provided the appropriate GST and Compensation Cess are paid for goods cleared on or after July 1, 2017.

### **Changes in the Customs Act**

The recent amendments to the Customs Act include changes to Section 28DA, where the requirement for a "Certificate of Origin" to avail concessional duty benefits under Trade Agreements has been replaced with "Proof of Origin," now encompassing declarations and self-certifications by designated authorities.

Additionally, Section 65(1) has been updated to allow the Central Government to specify, via notifications, certain manufacturing processes and operations related to specific goods that cannot be conducted in a warehouse, thereby limiting the facility of manufacturing in bond.

Further amendments include expansions to Sections 143A and 157, which now empower the Board to take measures, prescribe procedures, or make regulations for facilitating trade for importers, exporters, and others involved. A retrospective exemption from Compensation Cess on imports into Special Economic Zones (“SEZs”) by SEZ units or developers for authorized operations, effective from July 1, 2017, has been granted, applying Notification No. 27/2014-Cus retroactively.

Additionally, the Tariff Rate Quota Notification 37/2003 has been made applicable retrospectively from April 1, 2023, exempting the import of Crude Soya-bean oil and Crude Sunflower seed oil under the Tariff Rate Quota (“TRQ”). Lastly, the Central Government's power to levy protective duties based on Tariff Commission recommendations under Section 6 has been withdrawn.

### **Increase in Custom Duty**

Effectively from July 24, 2024, the government has increased the Basic Customs Duty (“BCD”) on several items. The duty on "Other Plates, Sheets, Film, Foil, and Strip of Plastics" under Customs Tariff Heading (“CTH”) 3920 and CTH 3921 has been raised from 10% to 25%. For "Garden Umbrellas and Similar Umbrellas" under CTH 6601 10, the BCD has been set to 20% or Rs. 60 per piece, whichever is higher.

Additionally, the BCD on "Laboratory Chemicals" under CTH 9802 has been significantly increased from 10% to 150%.







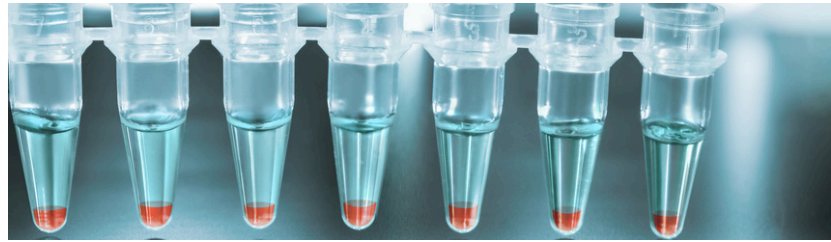
## **New and modified Tariff sub-headings**

Effectively from October 1, 2024, new and modified tariff sub-headings have been introduced. The duty on nuts other than cashew nuts under CTH 2008 19 20 and 2008 19 30 has been increased to 150%.

New entries include Blended Aviation Turbine Fuel (CTH 2710 19 33) and E-bicycles or Battery-Operated Pedal-Assisted Vehicles (CTH 8711 60 80). Amendments have been made to various tariff headings, including CTH 1905, 2906, 2924, 3818, 3920, 3921, 5703, 6307, 6506, 6914, 7308, 7610, 8412, 8430, 8443, 8479, 8537, 8711, 8807, 8906, and 9305.

Additionally, effective July 24, 2024, the Countervailing Duty Rules have been aligned with the Anti-Dumping Rules, allowing for a New Shipper Review for exporters not previously involved in investigations.





# Change in Custom Duty Rates

## 1. Critical minerals-

The Basic Customs Duty (“BCD”) has been reduced to a nil rate for critical minerals including Cobalt, Copper, Gallium, Germanium, Hafnium, Lithium, Molybdenum, Niobium, Nickel, Potash, Strontium, Tin, Tungsten, Vanadium, Zirconium, Selenium, Cadmium, and Silicon (excluding Quartz & Silicon Dioxide). Additionally, the BCD on Graphite, Silicon Quartz, and Silicon Dioxide has been reduced to 2.5%.

## 2. Gem & Jewellery-

The BCD on Gold and Silver Bars has been reduced from 15% to 6%, while the BCD on gold dore and silver dore has been lowered from 14.35% to 5.35%. Additionally, the Agriculture Infrastructure and Development Cess (“AIDC”) rates have been reduced from 5% to 1% on gold and silver bars, and from 4.35% to 0.35% on gold dore and silver dore.





### **1. Chemicals and Petrochemicals-**

BCD applicable on Ammonium Nitrate increased from 7.5% to 10%.

### **2. Medical and Pharma-**

The BCD has been exempted on the cancer drugs Trastuzumab Deruxtecan, Osimertinib, and Durvalumab. Additionally, the BCD on all types of polyethylene used in the manufacture of orthopedic implants under sub-heading 9021 10 has been set to nil. However, the exemption has been withdrawn for the import of parts and components used in the manufacture of blood pressure monitors and blood glucose monitoring systems (glucometers).

### **3. Textile and Leather Sector-**

The BCD on Methylene Diphenyl Di-isocyanate for Spandex Yarn manufacture has been reduced from 7.5% to 5%, and on Real Down Filling material from 30% to 10% for export garment manufacturing. Additionally, exemptions have been extended to wet white leather, crust, and finished leather for making textile or leather garments, footwear, and other leather products for export.

### **4. Electronic goods and equipment-**

The BCD on cellular mobile phones, PCBAs of cellular mobile phones, and chargers/adapters for mobile phones has been reduced from 20% to 15%.



Additionally, the BCD on Oxygen Free Copper (“OFC”) Strip for manufacturing resistors has been reduced from 5% to nil, subject to Import of Goods at Concessional Rate of Duty (“IGCR”) conditions. Concessional BCD rates for mechanics and die-cut parts have been expanded to include chapters 40, 70, and 76, and the exemption for input items/raw materials used in manufacturing connectors has been broadened. However, the BCD on Printed Circuit Board Assembly (“PCBAs”) of specified telecom equipment has been increased from 10% to 15%.

## **5. Manufacturing and Plastics-**

The BCD on Ferro-Nickel has been reduced from 2.5% to nil, and on Blister Copper from 5% to nil, with the BCD exemption on Ferrous Scrap extended up to March 31, 2026. The concessional BCD rate of 2.5% on copper scrap continues, and the exemption on specified raw materials for the manufacture of CRGO steel has also been extended to the same date, including those under tariff item 7226 11 00.

Additionally, certain metals such as Natural Graphite, Copper ores and concentrates, high-purity Silicon, Lithium carbonates, and rare earth metal compounds are exempt from the Social Welfare Surcharge. However, exemptions have been withdrawn for organic/inorganic coating materials used in manufacturing electrical steel.

Furthermore, the duty-free re-import period for goods exported under warranty has been increased from 3 years to 5 years, with a possible extension of an additional 2 years.





## **6. Renewable Energy-**

The government has added certain specified capital goods to the list of exempted Items for use in the manufacture of solar cells and modules. However, a BCD of 10% has been imposed on the import of solar glass used in the manufacture of solar cells or modules, effective from October 1, 2024.

Additionally, the exemption on the import of catalysts for manufacturing cast components of Wind Operated Electricity Generators has been withdrawn.

## **7. Oil and Gas-**

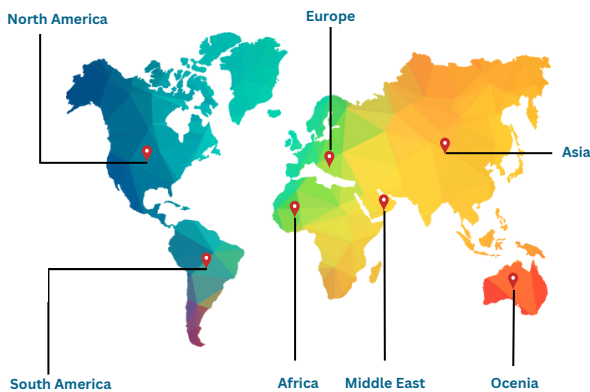
BCD on certain goods when imported for use in petroleum exploration operations Nil rated.

## **8. Shipping and Aviation-**

The BCD on components and consumables for the manufacture of specified vessels has been reduced to a nil rate. This includes technical documentation and spare parts necessary for constructing warships.

Additionally, the duration for re-exporting aircraft and vessels imported into India for maintenance, repair, and overhauling has been extended from six months to one year, with a possible further extension of one additional year.

## SERVING CLIENTS WORLDWIDE



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