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FM unveils IT relief, small saving sops, major boost to tourism

cent for the current year. That would entail a gross borrowing of Rs 15.43 lakh crore.

Sitharaman said the Budget for 2023-24 (April 2023 to March 2024), adopts seven priorities – inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power and financial sector.

While the agriculture credit target has been increased to Rs 20 lakh crore with focus on animal husbandry, dairy and fisheries, the increased investment in infrastructure and productive capacity is aimed at having a multiplier impact on growth and employment.

Additional Rs 9,000 crore has been provided toward credit guarantee for medium and small enterprises. Railways has been provided a capital outlay of Rs 2.40 lakh crore – the highest ever and about 9 times the outlay made in 2013-14.

An Urban Infrastructure Development Fund (UIDF) will be established for the creation of urban infrastructure in Tier 2 and Tier 3 cities.

The Budget has also provided Rs 35,000 crore for energy transition and net zero objectives.

Battery Energy Storage Systems with capacity of 4,000 MWh will be supported with viability gap funding, Rs 20,700 crore will be spent in building a transmission system to evacuate 13 GW renewable energy from Ladakh.

The outlay for the affordable housing scheme, PM Awas Yojana, has been increased 66 per cent to Rs 79,000 crore.

Other highlights of the budget include reviving 50 additional airports, heliports and water aerodromes, and establishing a National Digital Library to make available quality books across languages, geographies and genres.

The income tax relief provided for individual taxpayers would be a 25 per cent reduction in tax outgo of an individual with an annual income of Rs 9 lakh as he or she would be required to pay only Rs 45,000 as against Rs 60,000 crore.

Similarly, an individual with an income of Rs 15 lakh would be required to pay only Rs 1.5 lakh or 10 per cent of his or her income, a reduction of 20 per cent from the existing liability of Rs 1.87,500, Sitharaman said.

"This will provide major relief to all taxpayers in the new regime," she said. Also, the Rs 50,000 standard deduction provided in the old tax regime has now been extended to the new tax regime.

The limit of Rs 3 lakh for tax exemption on leave encashment on retirement of non-government salaried employees will be increased to Rs 25 lakh.

The total revenue foregone from the reduction in direct and indirect taxes after accounting for a small gain from additional mobilisation will be Rs 35,000 crore annually.

"The narrower deficit forecast in the Union Government budget for 2023-24 underscores the Government's commitment to longer-term fiscal sustainability and supports the economy amid high inflation and a challenging global

environment," Moody's Investor Service said in its initial comments on the Budget.

Although the gradual fiscal consolidation trend is intact and will help to stabilise the government's debt burden relative to nominal GDP, the high debt burden and weak debt affordability are constraints that offset India's fundamental strengths, including its high growth potential and deep domestic capital markets, it said.

Mobile phones and TV sets manufactured in India would become cheaper with Sitharaman announcing cuts in Basic Customs Duty (BCD) on import of their components but smokers would have to pay more as the Government has increased taxes.

Imported cars, including electric vehicles, and those assembled in India with imported parts will also become costlier with increased customs duty.

Sitharaman proposed an increase in BCD on several items to 'promote exports, boost domestic manufacturing, enhance domestic value addition, encourage green energy and mobility'.

Customs duty on vehicles in completely built units (CBUs) costing less than USD 40,000 or with engine capacity less than 3,000 cc for petrol-run vehicles and less than 2,500 cc for diesel-run vehicles has been raised from 60 per cent to 70 per cent, as per the Budget document.

Similarly, customs duty on electrically operated vehicles in CBU form, other than with cost, insurance and freight (CIF) value of more than USD 40,000, has also been raised to 70 per cent from 60 per cent.

Besides, BCD on import of bicycles is also being increased from 30 per cent to 35 per cent. BCD for toys and its parts is also hiked from 60 per cent to 70 per cent.

"The BCD is being increased on styrene, vinyl chloride monomer, toys and parts of toys (other than parts of electronic toys), bicycles, automobiles in SKD and CBU form, silver bar, silver dore and naphtha," said the budget notification.

The Government has also decided to increase Agriculture Infrastructure and Development Cess (AIDC) on silver bar from the existing 2.5 per cent to 5 per cent and 2.5 per cent to 4.35 per cent on silver dore.

However, the Government has provided customs duty exemption to import of specified capital goods and machinery required for the manufacture of lithium-ion cells for batteries used in electric vehicles as available for the manufacture of lithium-ion cells for batteries used in mobile handsets.

"To further provide impetus to green mobility, customs duty exemption is being extended to import of capital goods and machinery required for the manufacture of lithium-ion cells for batteries used in electric vehicles," said Sitharaman in her budget speech.

In order to deepen domestic value addition in the manufacture of mobile phones, the government has proposed exempting BCD on the camera lens for the camera module, and input-sub-parts for lens of the camera module of mobile phone is being reduced from 2.5 per cent.

It has also proposed to reduce BCD on parts for the manufacture of open cells of TV panels from 5 per cent to 2.5 per cent.

"Similarly, to promote value addition in the manufacture of televisions, I propose to reduce the basic customs duty on parts of open cells of TV panels to 2.5 per cent," said Sitharaman.

Moreover, to encourage the manufacturing of electric kitchen chimneys, the basic customs duty on electric kitchen chimney is proposed to increase from the existing 7.5 per cent to 15 per cent.

At least 50 travel destinations would be developed as a "complete package" and states will be encouraged to set up a 'unity mall' for the sale of their products, the Finance Minister announced, asserting that promotion of tourism will be taken up on a "mission mode".

She emphasised that the country offers "immense attraction" for domestic as well as foreign tourists and can be a major job creator.

"There is a large potential to be tapped in tourism. The sector holds huge opportunities for jobs and entrepreneurship, for the youth in particular," she said.

"Promotion of tourism will be taken up on a mission mode with the active participation of states, convergence of government programmes, and public-private partnerships," the Union Minister added.

The Finance Minister said that with an integrated and innovative approach, at least 50 destinations will be selected through "challenge mode", and every destination would be "developed as a complete package".

"In addition to aspects such as physical connectivity, virtual connectivity, tourist guides, high standards for food streets and tourists' security, all the relevant aspects would be made available on an app to enhance tourist experience," the finance minister said.

The focus would be on domestic as well as foreign tourists, she asserted.

"States will be encouraged to set up a 'Unity Mall' in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other states," the minister said.

Besides, sector-specific skilling and entrepreneurship development will be dovetailed to achieve the objectives of the 'Dekho Apna Desh' initiative, she said.

"This was launched as an appeal by the Prime Minister to the middle class to prefer domestic tourism over international tourism. For integrated development of theme-based tourist circuits, the 'Swadesh Darshan Scheme' was also launched.

"Under the Vibrant Villages Programme, tourism infrastructure and amenities will also be facilitated in border villages," the Minister added.

An individual will have to pay tax on the maturity amount of life insurance policies where the aggregate annual premium exceeds Rs 5 lakh, according to a Budget proposal.

Sitharaman proposed "to provide that where aggregate of premium for life insurance policies (other than ULIP) issued on or after April 1, 2023, is above Rs 5 lakh, income from only those policies with aggregate premium up to Rs 5 lakh shall be exempt".

This will not affect the tax exemption provided to the amount received on the death of a person insured. It will also not affect insurance policies issued till March 31, 2023, she said.

As per the Budget proposal, maturity proceeds of all life insurance policies (other than unit-linked insurance policies or ULIPs) that are issued after April 1, 2023, and have an annual premium of more than Rs 5 lakh will now be taxable.

"One should note that if an individual has more than one life insurance policy, which is issued on or after the 1st of April 2023 and also if the aggregate amount of premium of such policies exceeds Rs 5 lakh, then the maturity amount will be taxable," Manchanda said.

Post the Budget, the stock prices of HDFC Life Insurance plunged by 11 per cent and SBI Life Insurance slumped by 10 per cent.

Meanwhile, sending a clear message about its internal security priorities, the Modi Government allocated Rs 1.96 lakh crore to the Ministry of Home Affairs (MHA) with a majority of the spending on Central Armed Police Forces such as CRPF and intelligence gathering.

The 2023-24 budget allocation to the MHA, helmed by Union Home Minister Amit Shah, is Rs 1,96,034.94 crore. The budget 2022-23 had earmarked Rs 1,85,776.55 crore.

A substantial amount has also been allocated for improving infrastructure along the international border, police infrastructure and modernisation of police forces.

Resolve for developed India: PM

Touching on various aspects of the budget, he said success of digital payments has to be replicated in the agriculture sector and a scheme has been brought for laying down digital infrastructure for it.

It will make cooperatives pivot of development of rural economy, he said.

"An unprecedented investment of Rs 10 lakh crore in infrastructure will give speed and new energy to development," he said. (PTI)

The bulk of the amount of the MHA, Rs 1,27,756.74 crore, has been allocated to the Central Armed Police Forces (CAPFs) in comparison to Rs 1,19,070.36 crore in 2022-23.

Among the CAPFs, the Central Reserve Police Force (CRPF), mostly responsible for internal security duties and fighting militancy in Jammu and Kashmir, has been allocated Rs 31,772.23 crore in comparison to Rs 31,495.88 crore given in 2022-23.

The Border Security Force (BSF), which guards India's border with Pakistan and Bangladesh besides handling internal security assignments, has been given Rs 24,771.28 crore in comparison to Rs 23,557.51 crore given in the current fiscal.

The Central Industrial Security Force (CISF), which protects vital installations such as nuclear projects, airports and metro networks, has been given Rs 13,214.68 crore in comparison to Rs 12,293.23 crore allocated in 2022-23.

The Shashastra Seema Bal (SSB), which guards India's borders with Nepal and Bhutan, has been allocated Rs 8,329.10 crore in comparison to Rs 8,019.78 crore given in 2022-23.

The Indo-Tibetan Border Police (ITBP), which guards the Sino-Indian border, got Rs 8,096.89 crore in comparison to Rs 7,626.38 crore given in the current fiscal.

The Assam Rifles, which is deployed along the India-Myanmar border and for anti-insurgency duties in the Northeast, has been allocated Rs 7,052.46 crore in comparison to Rs 6,561.33 crore given in the current fiscal.

The National Security Guard (NSG), the elite commando force to tackle any emergency security situation, has been allocated Rs 1,286.54 crore in comparison to Rs 1,183.80 crore given in 2022-23.

The Intelligence Bureau has been given Rs 3,418.32 crore in comparison to Rs 3,022.02 crore given in the current fiscal.

The Special Protection Group (SPG), which protects the prime minister, has been allocated Rs 433.59 crore in comparison to Rs 411.88 crore given in 2022-23.

The Delhi Police has been allocated Rs 11,662.03 crore in comparison to Rs 11,617.59 crore given in 2022-23.

A sum of Rs 3,545.03 crore has been allocated for development of border infrastructure like construction of roads and bridges in comparison to Rs 3,738.98 crore allocated in the current fiscal.

Rs 3636.66 crore has been given for development of police infrastructure in comparison to Rs 2,188.38 crore allocated in 2022-23.

For modernisation of police forces in the country, the budget allocated Rs 3,750 crore in comparison to Rs 2,432.06 crore given in 2022-23.

Rs 2780.88 crore has been allocated for security-related expenditure in comparison to Rs 2,024.54 crore given in the current fiscal.

The budget also allocated Rs 1,564.65 crore for census related works, Rs 1,100 crore for women safety schemes, Rs 700 crore for modernisation of forensic capacities, Rs 350.61 crore for maintenance of border check posts and Rs 202.27 crore for Modernisation Plan IV for CAPFs.

In a bid to promote domestic manufacturing of mobile phones, the Government today reduced customs duty on import of certain parts and inputs like camera lens, and extended the concessional duty on lithium-ion cells for batteries for another year.

The Finance Minister also revised upwards the National Calamity Contingent Duty (NCCD) on specified cigarettes by about 16 per cent. It was last revised 3 years ago.

To avoid cascading of taxes on blended compressed natural gas, she proposed to exempt excise duty on GST-paid compressed bio gas contained in it.

"To further provide impetus to green mobility, customs duty exemption is being extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles," Sitharaman said in her speech.

Referring to mobile productions, she said, as a result of various initiatives of the Government, including the phased manufacturing programme, mobile phone production in India has increased from 5.8 crore units valued at about Rs 18,900 crore in 2014-15 to 31 crore units valued at over Rs 2,75,000 crore in the last financial year.

"To further deepen domestic value addition in manufacture of mobile phones, I propose to provide relief in customs duty on import of certain parts and inputs like camera lens and continue the concessional

duty on lithium-ion cells for batteries for another year," she announced.

The Minister increased the duties on articles made from dore and bars of gold and platinum to enhance the duty differential.

The customs duties on dore and bars of gold and platinum were increased earlier this fiscal. She also proposed to increase the import duty on silver dore, bars and articles to align them with that on gold and platinum.

The defence budget was increased to Rs 5.94 lakh crore for 2023-24 from last year's allocation of Rs 5.25 lakh crore.

In the Union Budget Sitharaman said, a total of Rs 1.62 lakh crore has been set aside for capital expenditure that includes purchasing new weapons, aircraft, warships and other military hardware.

For 2022-23, the budgetary allocation for capital outlay was Rs 1.52 lakh crore but the revised estimate showed the expenditure at Rs 1.50 lakh crore.

According to 2023-24 budget documents, an allocation of Rs 2,70,120 crore has been made for revenue expenditure that includes expenses on payment of salaries and maintenance of establishments.

The budgetary allocation of revenue expenditure in 2022-23 was Rs 2,39,000 crore.

In the budget for 2023-24, the capital outlay for the Ministry of Defence (Civil) has been pegged at Rs 8,774 crore while an amount of Rs 13,837 crore has been set aside under capital outlay.

A separate amount of Rs 1,38,205 crore has been allocated for defence pensions.

The total revenue expenditure including the pension outlay has been estimated at Rs 4,22,162 crore.

According to the budget papers, the total size of the defence budget is Rs 5,93,537.64 crore.

The capital outlay for the railways has been increased to the highest-ever Rs 2.40 lakh crore in the Union Budget for 2023-24, Sitharaman said.

She said the outlay for the railways is nine times the amount provided in 2013-2014.

She said 100 critical transport infrastructure projects for last- and first-mile connectivity for coal, fertiliser and food grain sectors have been identified and will be taken up on a priority basis with investment of Rs 75,000 crore, including Rs 15,000 crore from private sources, she said.

The total outlay provided for capital expenditure in the Budget Estimate 2023-24 of Rs 2,60,200 crore includes Rs 2,40,000 crore from general revenues, Rs 200 crore from Nirbhaya Fund, Rs 3,000 crore from internal resource and Rs 17,000 crore from internal and extra-budgetary resources.

The total receipt of the railways comprising revenues from passenger, goods, other coaching, sundry other heads and Railway Recruitment Boards have been placed at Rs 2,65,000 crore in BE 2023-24 as against Rs 2,42,892.77 crore of RE 2022-23.

The Finance Minister proposed to double the deposit limit for Senior Citizen Savings Scheme to Rs 30 lakh and Monthly Income Account Scheme to Rs 9 lakh.

The Minister also announced a new small savings scheme for women.

"The maximum deposit limit for Senior Citizen Savings Scheme will be enhanced from Rs 15 lakh to Rs 30 lakh," the minister said in her 87-minute long speech.

She also proposed that the maximum deposit limit for Monthly Income Account Scheme will be enhanced from Rs 4.5 lakh to Rs 9 lakh for a single account and from Rs 9 lakh to Rs 15 lakh for a joint account.

Announcing a new 'Azadi Ka Amrit Mahotsav Mahila Samman Bachat Patra', Sitharaman said a one-time new small savings scheme, Mahila Samman Savings Certificate, will be made available for a two-year period up to March 2025.

"This will offer deposit facility up to Rs 2 lakh in the name of women or girls for a tenor of 2 years at fixed interest rate of 7.5 per cent with partial withdrawal option," she said.

The Minister also announced to that an integrated IT portal will be established for investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority with ease.

The Government's subsidies on food, fertilisers and petroleum are estimated to rise 17 per cent this fiscal year to Rs 5.21 lakh crore and have been pegged lower by 28 per cent to nearly Rs 3.75 lakh crore in FY24.

NH blocked after landslides, restored

Banihal and Qazigund areas, the highway was blocked on Monday and was reopened hardly on Tuesday evening. But it was again blocked in the morning. No fresh vehicles from Srinagar or Jammu side were allowed today. The LMVs in large number had been stranded at several places on the highway. All the stranded vehicles in Banihal and Ramban area were cleared by late this evening. The road was one-way for traffic at several places and heavy vehicles will be allowed to move tomorrow morning, a Traffic police official said.

According to the Budget document, the Government has pegged total subsidies on food, fertilisers and petroleum at Rs 5,21,584.71 crore in its revised estimate (RE) for 2022-23, as against the actual budget of Rs 4,46,149.24 crore in last fiscal year.

Of the total subsidies on these three items, the food subsidy is estimated to decline marginally to Rs 2,87,194.05 crore in current fiscal year from Rs 2,88,968.54 crore in 2021-22.

However, the fertiliser subsidy is estimated to increase to Rs 2,25,220.16 crore during this fiscal from Rs 1,53,758.10 crore in the last financial year as subsidies on both urea as well as non-urea nutrients like DAP (di-ammonium phosphate) surged.

Subsidy on urea is set to rise to Rs 1,54,097.93 crore from Rs 1,00,988.13 crore, while that on phosphatic & potassic (P&K) fertilisers to Rs 71,122.23 crore from Rs 52,769.97 crore.

Petroleum subsidy, too, is estimated to rise to Rs 9,170.50 crore from Rs 3,422.60 crore in the said period.

During the current fiscal year, the Centre decided to increase subsidy on both urea as well as phosphatic and potassic (P&K) fertilisers in view of sharp rise in global prices amid Russia-Ukraine conflict in order to ensure that farmers continue to get fertilisers at a reasonable rate.

Food subsidy is estimated to fall sharply to Rs 1,97,350 crore next fiscal year from Rs 2,87,194.05 crore in 2022-23 as the Government has discontinued a free foodgrains scheme that was launched during the pandemic.

Food subsidy is provided to meet the difference between the economic cost of foodgrains procured by the Government and their sales realisation at the PDS rate called central issue price (CIP) under the National Food Security Act (NFSA) and other welfare schemes.

The Government announced an 11 per cent hike in agriculture credit target to Rs 20 lakh crore for the next fiscal with focus on animal husbandry, dairy and fisheries, a move aimed at providing higher farm loans at a subsidised rates to the farming community.

Among other big ticket announcements for agriculture and allied sector, Nirjala Sitharaman said the Government will launch a new sub-scheme of Pradhan Mantri Matsya Sampada Yojana with an investment of Rs 6,000 crore to improve value chain efficiencies and expand the fishery market.

Customs duty on key inputs for domestic manufacturing of shrimp feed will also be reduced to promote export of marine products, she said.

For adoption of natural farming, the FM said the government will facilitate 1 crore farmers for this purpose and will also set up 10,000 Bio-Input Resource Centres for creating a national-level distributed micro-fertilizer and pesticide manufacturing network.

Further, the government will incentivise state governments and Union Territories under the Pradhan Mantri Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth (PM-PRANAM) to promote alternative fertilizers and balanced use of chemical fertilizers.

That apart, the government will launch an Atmanirbar Clean Plant Program to boost availability of disease-free, quality planting material for high value horticultural crops with an outlay of Rs 2,200 crore, she said.

To make India a global hub for millets, also called "Shree Anna", the FM said, Hyderabad-based Indian Institute of Millet Research will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.

India is the largest producer and second largest exporter of millets in the world. The country grows several types of millets such as jowar, ragi, bajra, kuttu, ramdana, kangni, kutki, kodo, cheena, and sama.

Nearly Rs 1,900 crore have been allocated in the Union Budget to the Union Law Ministry to buy electronic voting machines ahead of the 2024 Lok Sabha polls.

According to the budget document, Rs 1,891.78 crore has been allocated for purchase of EVMs by the poll panel.

"The provision is meant for providing funds to the Election Commission for procurement of ballot units, control units and voter verifiable paper audit trail units (papertrail machines) and ancillary expenditure on EVMs and destruction of obsolete EVMs," it said.

One control unit and at least one ballot unit makes for an EVM. (PTI)

Far-sighted budget: Shah

Minister Narendra Modi and Finance Minister Nirjala Sitharaman.

In a series of tweets, Shah said that the Budget-2023 brought by the Government will lay a strong foundation for Amritkal. "I am confident that, taking every section along, this all-inclusive and visionary budget will give further impetus to the resolve of the Government to make a self-reliant India. I congratulate the Prime Minister and the Finance Minister for this," he added.

The Union Home Minister said that the target of increasing the capital expenditure by 33% to Rs 10 lakh crore and keeping the fiscal deficit at 5.9% is laudable. This reflects the foresight of the Government led by Narendra Modi to build a New India with strong infrastructure and a strong economy.

Shah also thanked the Prime Minister for giving huge tax relief to the middle and salaried class. The increase in tax rebate from Rs 5 lakh to Rs 7 lakh and the unprecedented change in tax slabs will provide a lot of relief to the middle class. Along with this, I also welcome the relief given to the Government employees," he said.

Shah said that the foundation of the bright future of any country is its educated and skilled young generation. I heartily welcome the decision

to set up a National Digital Library to provide quality books to the youth. This scheme will solve children's problems which they faced during the Corona period.

Shah said that agriculture credit has been increased to Rs 20 lakh crore in this budget. Agriculture Accelerator Fund will be created to encourage agri-startups by young entrepreneurs. Along with this, for the next 3 years one crore farmers will be helped to do natural farming and 10,000 Bio Input resource centers will be set up.

The Union Home Minister also said that a budget provision of Rs 2.4 lakh crore has been made for the Railways, which will help in connecting remote areas. Along with this, the decision to revive 50 airports, heliports, advanced landing grounds in the country will increase regional air connectivity, which will give a boost to tourism.

Shah said that in this budget, it has been decided to start the PM Vishwakarma Kausal Samman Yojana to make the country's traditional artisans and craftsmen self-reliant. This decision will make a big difference in the lives of Vishwakarma community by enabling them to enhance the quality and market reach of their products, he added.

TV, mobile phones to be cheaper; gold, cigarettes to be dearer

become costlier with the Finance Minister increasing customs duty.

Following is a list of imported items that will become costlier:

- * Cigarettes
- * Kitchen chimney
- * Imported bicycles and toys
- * Fully imported cars and Electric Vehicles
- * Imitation jewellery
- * Compounded rubber
- * Silver dore
- * Naphtha

However, certain goods will

become cheaper as the Government has slashed the customs duty and these are:

- * Domestically-manufactured TV sets
- * Shrimp feed
- * Fish lipid oil used in manufacturing aquatic feed
- * Seeds for lab-grown diamonds
- * Capital good
- * Machinery for manufacturing lithium ion cell to be used in electric vehicles. (PTI)

J&K gets Rs 35,581 cr Central assistance for 2023-24, Rs 9000 cr more for this year

expediting construction work while there has been provision for industrial development in the UTs of J&K and Ladakh in the annual budget.

As per the budget, Jammu and Kashmir has been given Rs 35,581.44 crore worth Revenue grants for the year 2023-24.

The UT of Ladakh was granted Rs 5958 crore worth grants including Rs 2808.08 crore for Revenue and Rs 3149.95 crore for Capital expenditure.

Grants to both the Union Territories will come through the Union Ministry of Home Affairs.

Ladakh has been granted Rs 97.30 crore for Industrial Development of Ladakh Scheme, 2022 for the first time for the year 2023-24, Jammu and Kashmir will get Rs 50 crore for Industrial Development Scheme , 2017 and some amount under Package for Special Category States for J&K, Himachal Pradesh and Uttarakhand.

"The new Central Sector Scheme for Industrial Development of Jammu and Kashmir shall be effective up to 31.03.2037 with total outlay of Rs 28,400 crore and will provide incentives like capital investment, capital interest subvention, Goods and Service Tax Linked Incentive and Working Capital Interest Subvention.

Similarly, the new Central Scheme for Industrial Development of UT of Ladakh shall be from 2023-24 with total outlay of Rs 3500 crore. During scheme period, all incentives mentioned in J&K Industrial Scheme will be applicable.

Out of Rs 35581.44 crore worth grants, the Union Ministry of Home Affairs has