

## Union Budget 2024 Consumer industry



- **Manufacturing sector**

- Investment-ready industrial parks in 100 cities with worker housing to be established to boost manufacturing and FDI inflows in India
- Employment-linked incentive scheme announced with an allocation of INR 2 lakh crore for creating jobs. The following three modules are proposed for implementing the scheme:
  - **Scheme A:** Provides direct benefit transfer to first-time employees equivalent to one-month salary in three instalments
  - **Scheme B:** Provides incentives to employers and employees with respect to their EPF contribution in the first four years of employment
  - **Scheme C:** Provides reimbursement of up to INR 3,000 per month to employers for two years towards EPF contribution for each additional employee
- Reduction in customs duty rates on critical minerals and metals highlights the government's focus on "Make in India" scheme; specific benefits on other inputs and components for manufacturing of finished products provided to the leather and textiles, telecom, food processing and green energy sectors
- Five percent reduction in customs duty on cellular mobile devices, chargers/adapters and the Printed Circuit Board Assembly (PCBA) will reduce the overall duty incidence on these products, making them more economical to import in India
- Benefits to MSMEs in the manufacturing sector (credit guarantee, new assessment model, credit support proposed)

- **Transport and hospitality sector**

- Proposals to facilitate financing for aircraft and ship leasing through a variable capital company structure, thereby improving operational efficiency and flexibility and fostering investment opportunities

- Streamlined tax regime designed to promote employment through cruise tourism, leveraging India's extensive coastline and coastal attractions; these include the following:
  - Simplifying tax procedures for foreign shipping companies operating domestic cruises by introducing a presumptive taxation framework where 20 percent of revenue is deemed as taxable profits.
  - Lease rentals paid by a non-resident company operating cruises in India, under this presumptive taxation regime, to a foreign company that shares a common parent holding company will be exempt from tax in India.
- Proposals to transform temples in Eastern India into world-class pilgrim and tourist destinations, thereby fostering infrastructure development, generating employment and boosting tourism.
- **Agriculture sector**
  - Budget allocation of US\$ 18.23 billion for the agriculture and allied sectors
  - Significant push for digitalisation of the agriculture sector by implementing digital public infrastructure in agriculture for coverage of farmers and their lands, digital crop survey to boost agricultural value chain, efficiency and competitiveness
  - Allocation for R&D initiatives with a particular focus on enhancing the production, storage and marketing of pulses and oilseeds to achieve self-sufficiency and encourage growth
- **Other significant updates**
  - Rationalisation of TDS and TCS provisions: Introduction of TCS on luxury goods, reduction in TDS rates from 5 percent to 2 percent and from 1 percent to 0.1 percent under various sections
  - Abolition of angel tax for all classes of investors
  - Equalisation levy on non-resident e-commerce operators proposed to be abolished w.e.f. 1 August 2024
  - Ensure tax certainty and reduce litigation: Introduction of the Vivad Se Vishwas Scheme, 2024; increase in monetary limits for filing appeals; rationalisation of the reassessment procedure