



dvmgopal & associates
Company Secretaries

February - 2024



TOPICS:

- Interim Budget
- Compliance Calendar – February 2024

Interim Budget



- ♣ An interim budget is a temporary budget presented by the government of a country when the general elections are imminent, and a new government is likely to be formed.
- ♣ The purpose of the interim budget is to provide essential financial provisions to meet the government's expenditure until a new government can present a full-fledged budget. It is meant to cover the period until the new government is formed and has the opportunity to present its own budget.
- ♣ An interim budget usually focuses on maintaining the continuity of essential government functions and services rather than introducing new policy measures or significant changes in taxation. The incoming government, once in office, has the authority to modify or replace the interim budget with its own budget that aligns with its policy priorities.

Economic Indicators

- I. GDP growth expanded by 7.7 percent in H1 FY24. The advance estimate for the full year is 7.3 percent. In FY23, GDP grew by 7.2 percent.
- II. Fiscal deficit is revised to 5.8 percent in FY24; this is 0.1 percent lower than the earlier estimates and down from 6.4 percent in FY23. The deficit is budgeted to be at 5.1 percent in FY25.
- III. CPI inflation moderated to 5.5 percent in FY24 (April –December), driven by a slowdown in core inflation (4.7 percent during this period).
- IV. RBI has kept policy rates unchanged at 6.5 percent since February 2023. The central bank is likely to recalibrate monetary policy in response to evolving inflation dynamics.
- V. Merchandise exports declined by 5.5 percent to US\$317.1 billion in FY24 (April–December), led by a fall in export of petroleum products due to moderation in global demand and trade.
- VI. FDI inflows amounted to US\$21.3 billion during FY24 (April– November), due to tighter liquidity conditions and global uncertainties weighing on global investor sentiments.
- VII. Current account deficit as a percent of GDP was 1.0 percent in H1 FY24, following broad-based improvements in merchandise trade and strong performance in services exports.
- VIII. Forex reserves reached US\$623 billion in December 2023 (a 22-month high), equivalent to 10.6 months of import cover.
- IX. INR averaged at 82.7 in FY24 (April– December). Moderation of the current account deficit, improved economic outlook, and comfortable forex reserves helped stabilise the Indian currency.

Highlights of Interim Budget:

I. Achievement of Taxation Reforms:

- a. Direct Tax collections more than trebled in last years
- b. Number of return filers swelled to 2.4 times
- c. Faster refunds: Reduction in average processing time of returns from 93 days (2013-14) to 10 days (2023-24)
- d. Average monthly Gross GST Collections doubled to Rs. 1.66 lakh crore in FY24
- e. Increase in tax buoyancy of State revenue from 0.72 (2012-16) to 1.22 in the post-GST period (2017-23)

II. Positive sentiment about GST

- a. 94% industry leasers view transition to GST as largely positive
- b. 80% of respondents feel GST has led to supply-chain optimisation

III. Decline in import release time since 2019 by: -

- a. 47 per cent at Inland Container Depots
- b. 28 per cent at Air Cargo complexes
- c. 27 per cent at Sea Ports

IV. Withdrawal of outstanding direct tax demand

- a. Tax outstanding demands for the following amount will be waived off.

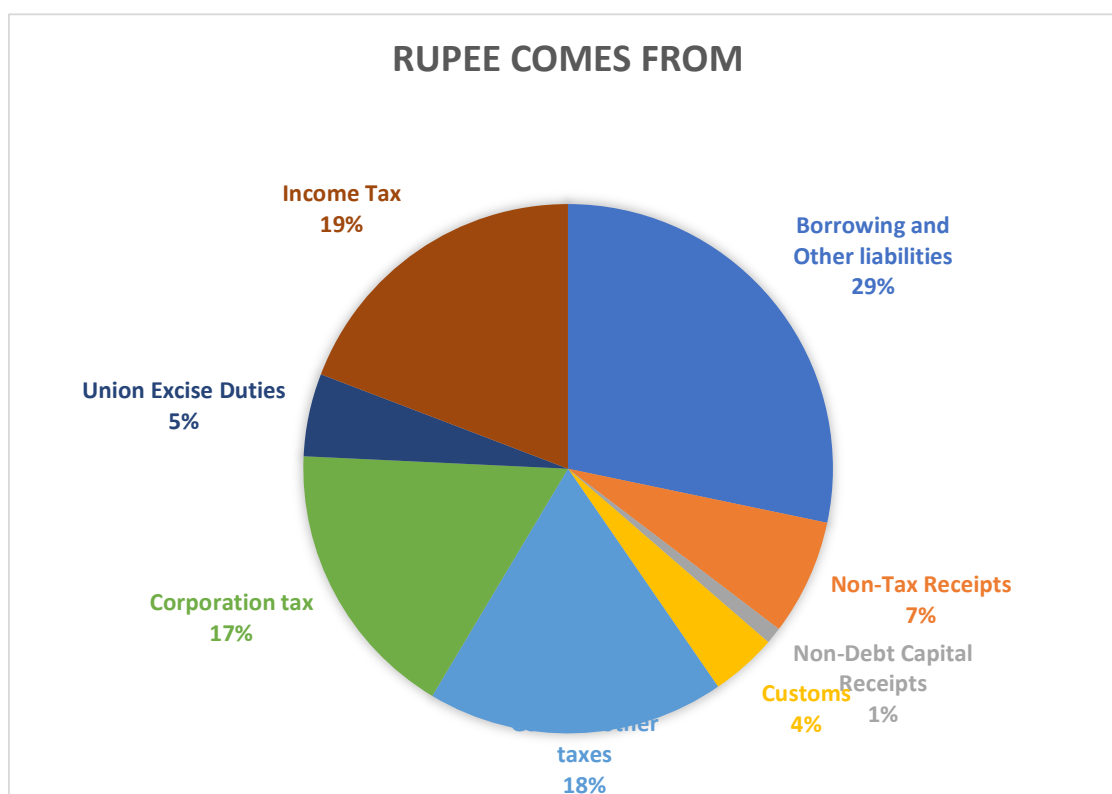
Outstanding Demand Amount	Year of Demand
Up to Rs 25,000/-	Up to FY 2009-10
Up to Rs 10,000/-	From 2010-11 to FY 2014-15

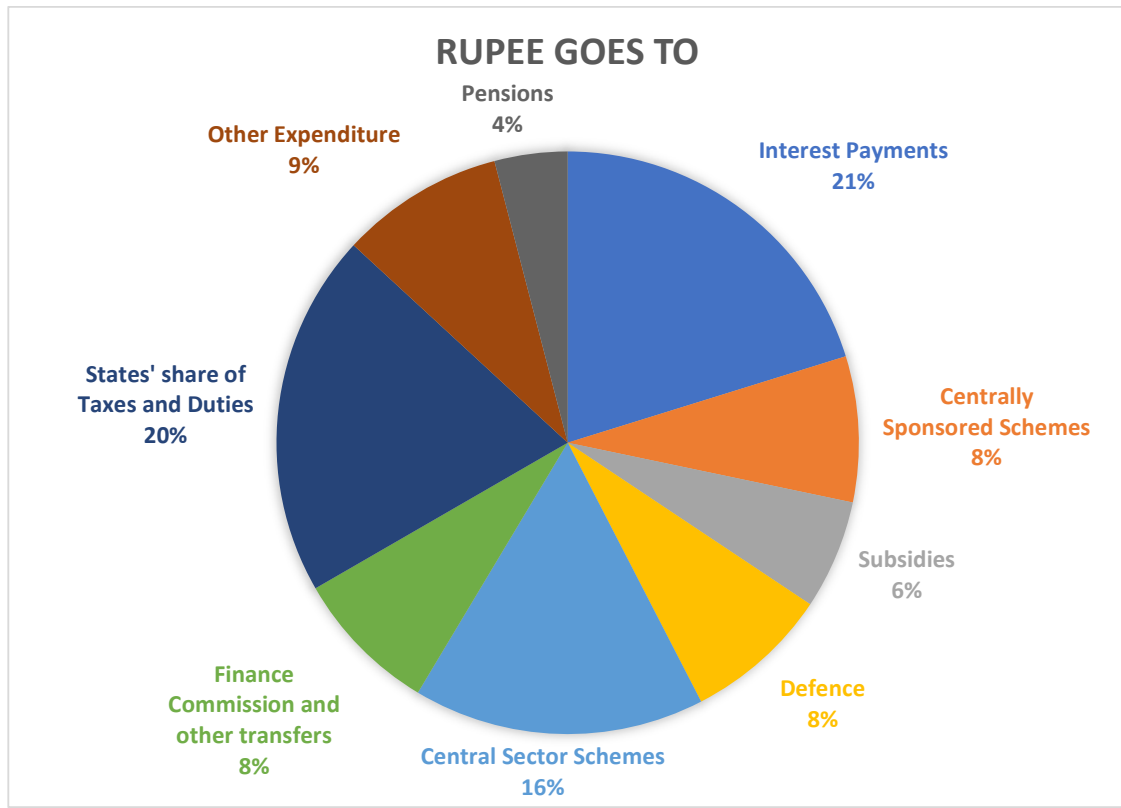
- V. **Continuity in taxation:** Certain tax benefits to Start-ups and investments made by sovereign wealth funds/pension funds, tax exemption of some IFSC units earlier expiring on 31.03.2024 extended up to 31.03.2025

VI. Retention of same tax rates: -

- For direct and indirect taxes, including import duties there will be no change
- For Corporate Taxes-22% for existing domestic companies, 15% for certain new manufacturing companies
- No tax liability for taxpayers with income up to ₹7 lakh under the new tax regime

Rupee In and Out
















Allocation of Budget for Specific Ministries

S NO	Ministries	In Lakh Crores
1	Ministry of Defense	6.2
2	Ministry of Road Transport and Highways	2.78
3	Ministry of Railways	2.55
4	Ministry of Consumer Affairs, Food & Public Distribution	2.13
5	Ministry of Home Affairs	2.03
6	Ministry of Rural Development	1.77
7	Ministry of Chemicals and Fertilizers	1.68
8	Ministry of Communications	1.37
9	Ministry of Agriculture and Farmer's Welfare	1.27

Policy Announcements

Some key policy announcements in the interim budget includes:

- I. **Electrical Vehicles**  : Strengthen Electrical Vehicles charging infrastructure and manufacturing and enhance the adoption of e-buses via a payment security mechanism.
- II. **Sustainability**  : Introduce a viability gap funding for energy transitioning and launch an integrated scheme for aquaculture and mariculture to drive climate resilience
- III. **Technology**  : Encourage research and innovation through INR 1,000 billion corpus with a 50-year interest-free loan; and a new scheme to strengthen deep-tech for defence purposes.
- IV. **Bio manufacturing**  : Launch a new scheme for biomanufacturing and bio-foundry and provide financial assistance for the promotion of bio-mass aggregation machinery.
- V. **Foreign Direct Investment**  : Promote foreign investments via bilateral investment treaties in the spirit of “First Develop India.
- VI. **PM Gati Shakti**  : Set up three major railway corridor programmes – energy and minerals, port connectivity, and high traffic density.
- VII. **Agriculture and Aquaculture**  : Boost agricultural productivity by applying Nano-Diammonium phosphate in all Agro-climatic zones; strategies self-reliance for oilseeds; provide PPP-mode of investment for post-harvest activities; establish five integrated aqua parks; and introduce a comprehensive programme for dairy farmers.
- VIII. **Health**  : Roll out the Unorganised Workers’ Identification Number (U-WIN) platform to manage immunisation efforts under the Mission Indradhanush; extend health cover under the Ayushman Bharat scheme to Accredited Social Health Activist and Anganwadi workers; and form a committee to assess the feasibility of new medical colleges.
- IX. **Housing**  : Introduce a new housing scheme for the middle class and build an additional 20 million houses under Pradhan Mantri Awas Yojana for the next five years.
- X. **Tourism**  : Provide long-term interest-free loans to states to promote tourism with a focus on islands.
- XI. **MSMEs**  : To enable MSMEs to grow and compete globally, policy priority will be given to ensure timely and adequate finances, technologies, and training.

FEMA			
Compliance details	Form	Applicability	Due Date
External Commercial Borrowings (ECB) - FEMA	Form ECB-2	All Companies having ECB	2/7/2024
SEBI LODR Regulations			
Compliance details	Form	Applicability	Due Date
Regulation 33	Financial Results along with Limited review report/Auditor's report	All Listed Entity	2/14/2024
Labour Laws			
Compliance details	Form	Applicability	Due Date
State Professional Tax (PT)	Form V	Entities registered with PT	2/10/2024
PF Payment	Monthly ECR	Entities registered with PF Authorities	2/15/2024
ESI Payment	Monthly ECR	Entities registered with ESIC Authorities	2/15/2024
INCOME TAX			
Compliance details	Form	Applicability	Due Date
Deposit of TDS	Challan 281	Non-government deductors	2/7/2024
GST			
Compliance details	Form	Applicability	Due Date
Return of outward supplies of taxable goods and/or services	GSTR 1	GST Taxpayers who have not opted for QRMP scheme	2/11/2024
Return of outward supplies of taxable goods and/or services	GSTR 1	GST Taxpayers who opted for QRMP scheme -Optional	2/13/2024
Summary Return of Outward and Inward Supplies along with payment of Tax	GSTR 3B	GST Taxpayers who have not opted for QRMP scheme	2/20/2024
GST Challan Payment if no sufficient ITC		GST Taxpayers who opted for QRMP scheme and not having sufficient ITC	2/25/2024
Summary Return of Outward taxable supplies and tax payable	GSTR 5 & 5A	Non-Resident GST Taxpayers	2/20/2024
Return for details of ITC received and distribution	GSTR 6	Input Service Distributors	2/13/2024
Return for TDS under GST	GSTR 7	Government Authorities	2/10/2024
Return for Details of Supplies and the amount of tax collector	GSTR 8	E-commerce Operator	2/10/2024
Return for details of goods and services purchased in India	GSTR-11	Taxpayer claiming Refund & having UIN	2/28/2024