

# Union Budget 23-24 Highlights: New tax slabs, changes in deposit schemes, and more

Today, the fifth budget under Modi 2.0, was presented by Union Finance Minister Nirmala Sitharaman. The Indian economy is on the right track and is poised for a bright future, according to the Finance Minister, who delivered the last comprehensive budget before the general elections next year. According to Sitharaman, this is Amrit Kaal's first budget. Here are the key aspects of Union Budget 23-24.

## Union Budget 23-24 Highlights

### 1. Electronics

Customs tax rates are being adjusted to establish a graded rate structure that will make it easier to manufacture wearable, hearable, and electronic smart metres domestically. Parts of the transformer used in mobile phone chargers, the camera lens used in mobile camera modules, and a few other products are likewise exempt from duty. This will make it possible to manufacture high-demand electronic products domestically.

### 2. Micro, Small and Medium Enterprises

The portals for Udyam, e-Shram, NCS, and ASEEM will be connected. Their reach will be increased. They will now function as portals that offer G2C, B2C, and B2B services and have active, organic databases. These services will focus on recruiting, skill development, and credit facilitation with the goal of further formalising the economy and boosting everyone's access to entrepreneurial opportunities.

### 3. Jewellery

Customs duty on cut and polished diamonds and gemstones is being reduced to 5% to help the gem and jewellery industry. There would be no customs duties for simply sawn diamond. By June of this year, a simplified regulatory framework must be in place to make it easier for jewellers to sell their wares online. The customs tax on counterfeit jewellery is set up so that a levy of at least Rs 400 per kilogramme is paid on its import in order to disincentivize the import of cheap imitation jewellery.

### 4. Savings plans

The Senior Citizen Savings Scheme would increase its maximum deposit amount from Rs. 15 lakh to Rs. 30 lakh. To Rs. 9 lakh and Rs. 15 lakh for joint accounts, the Monthly Income Scheme cap has risen. Mahila Samman Saving Certificate, a one-time unique saving programme for women, will be offered for two years beginning in 2025.

## 5. Income Tax changes for salaried employees

The old tax system has not changed. A new tax system will take over as the default tax system. In the new tax system, there is no tax on income up to Rs 7 lakh per year.

## 6. Skill Development

The DESH-Stack e-portal, a digital livelihood and skill development ecosystem, will be launched. This programme strives to give citizens the tools they need to upgrade their skills through online training. Additionally, it will offer verified API-based skill certificates, payment methods, and discovery layers to help people locate suitable employment and business opportunities.

## 7. Education

The PM eVIDYA programme "one class-one TV channel" will increase from 12 to 200 TV channels. This will enable all states to offer extracurricular regional language instruction for grades 1 through 12.

A digital university will be created to give students in the entire nation access to a top-notch, all-inclusive education with effective teaching right at their door.

## 8. National Tele Mental Health Programme

A "National Tele Mental Health Programme" will be introduced to improve access to high-quality counselling and care services for mental health. A network of 23 top-tier tele-mental health centres will be part of this, with NIMHANS serving as the nodal organisation and the International Institute of Information Technology-Bangalore (IIITB) providing technical assistance.

## 9. Housing

For the PM Awas Yojana's identified eligible recipients, both rural and urban, 80 lakh homes would be finished between 2022 and 2023. 48,000 crores have been set aside for this use.

## 10. North East Development Initiative of the Prime Minister (PMDevINE)

The North-Eastern Council will implement a new programme called Prime Minister's Development Initiative for the North-East, or PM-DevINE. It would support social development initiatives based on the perceived needs of the Northeast as well as infrastructural projects in the tradition of PM GatiShakti. Enabling livelihood activities for women and young people would close gaps in several industries.

## 11. Introduction of e-Passport

In 2022–2023, the government will start issuing e-Passports with embedded chips and cutting-edge technologies to improve convenience for citizens travelling abroad.

## 12. Telecom

As a part of the Production Linked Incentive Scheme, a programme for design-led manufacturing will be introduced. 5% of yearly revenues from the Universal Service Obligation Fund will promote the proliferation of cheap mobile and broadband services in rural and remote locations. This will aid R&D and the commercialization of technologies and solutions. In 2022–2023, PPP will award the contracts for installing optical fibre in all communities, including rural ones. The project should be finished in 2025.

## 13. Defense

The government is dedicated to decreasing imports and boosting AtmaNirbharta in military gear. The domestic industry will receive 68% of the capital expenditure budget in 2022–2023, an increase from 58% in 2021–2022.

## 14. Digital Rupee

The Central Bank Digital Currency (CBDC) launch will strengthen the digital economy. The use of digital currency will also result in a more effective and affordable system for managing currencies. As a result, it is suggested that the Reserve Bank of India start issuing Digital Rupee in 2022–2023, using blockchain and other technologies.

## 15. Custom duties on chemicals

Methanol, acetic acid, and heavy feedstocks for petroleum refining have lower customs duties while sodium cyanide, for which there is sufficient domestic capability, has higher customs duties. These adjustments will improve domestic value addition.

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