

# Union Budget 2023-24



A D V I S O R S

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# Fiscal and Policy level

- ▶ Fiscal Deficit for FY23 kept at 6.4% (RE)
- ▶ Fiscal Deficit for FY24 kept at 5.9% (BE)
- ▶ Support to MSMEs by enhancing allocation for MSME Ministry to Rs. 22,137 cr (42% increase over previous year revised budget)
- ▶ Capital expenditure for FY24 increased to INR 10 lakh crore (3.30% of GDP). This is 33% higher than the FY 23 budget of INR 7.50 lakh crore

# Ease of doing business

- ▶ Unified Skill India digital platforms to be introduced for enabling demand-based formal skilling, linking with employers including MSMEs
- ▶ Unified Filing Process to be set up for eliminating the need for separate submission of the same information to different government agencies

# Ease of doing business

## Vivad se Vishwas I Scheme

In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security to be returned to them by government and government undertakings

## Vivad se Vishwas II Scheme

To settle contractual disputes of government and government undertakings, wherein arbitral award is under challenge in a court, a voluntary settlement scheme with standardized terms to be introduced offering graded settlement terms depending on pendency level of the dispute

# Ease of doing business

## DigiLocker

DigiLocker will be set up for use by MSMEs, large business and charitable trusts which will enable storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities

## Credit Guarantee for MSMEs

Revamped scheme will take effect from 1st April 2023 through infusion of INR 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of INR 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent

# Ministry of MSME – Budget allocation

S. No	Particulars	FY24 Budget Estimate (INR Crore)	FY 23 Revised Estimate (INR Crore)	% change
1	Khadi, Village and Coir Industries	1289.00	824.95	56.25%
2	Technology Upgradation and Quality Certification	74.95	55.81	34.30%
3	Prime Minister Employment Generation Programme (PMEGP)	2700.00	2484.01	8.70%
4	Guarantee Emergency Credit Line (GECL) facility to eligible MSME borrowers	14100.00	10500.00	34.29%
5	Credit Support Program	500.00	0.08	
6	Market Promotion	96.35	52.00	85.29%

# Ministry of MSME – Budget allocation

S. No	Particulars	FY24 Budget Estimate (INR Crore)	FY 23 Revised Estimate (INR Crore)	% change
7	Entrepreneurship and Skill Development	685.00	659.52	3.86%
8	Infrastructure Development Program	2270.00	896.01	153.35%
9	Studies, Publicity and Intl Cooperation (SPIC)	36.07	-	
10	Research and Evaluation Studies	100.00	93.55	6.89%
11	Other exps including Establishment exps	286.58	62.74	356.77%
	<b>TOTAL</b>	<b>22137.95</b>	<b>15628.67</b>	<b>41.64%</b>

# INDIRECT TAXES



# Overview

## Indirect Tax

- ▶ Custom Duty rate rationalized on several goods
- ▶ Specified offences decriminalized
- ▶ Over-riding effect of exemption from GST registration
- ▶ Composition scheme for person supplying goods through ECO

# Customs

*Effective from January 1, 1995*

- ▶ Section 9, 9A and 9C of CTA amended to amplify the intent and scope of these provisions

*Effective from May 1, 2023*

- ▶ First Schedule to the CTA amended to modify Tariff lines/introduce new Tariff lines and change of Tariff Rates. Solar power plant/projects excluded from CH 9801 of CT

# Customs

*Effective from February 2, 2023*

- ▶ Various notifications issued under (Custom Tariff) for rationalizing CD rates on various products in addition to providing exemption, concession and increasing period of validity of exemption to specified products

# Customs

*Effective from enactment of Finance Bill No. 17 of 2023*

- ▶ Section 25 (4A) of CA modified to remove exemption validity period of two years for specified trade agreements, activities and entities
- ▶ Section 127C of CA amended to stipulate time limit of 9 months (extendable by 3 months) for disposal of application filed before Settlement Commission

# Central Goods & Services Tax

*Effective from July 1, 2017*

- ▶ Retrospective amendment giving over-riding effect of exemption from GST registration for specified persons
- ▶ Retrospective amendment in Schedule III, specifying certain activities not to be treated as supply of goods/services. Refund not available for tax paid earlier on such supplies

# Central Goods & Services Tax

*Effective from enactment of Finance Bill No. 17 of 2023*

- ▶ Composition scheme for person supplying goods through ECO
- ▶ ITC provisions aligned with current process of GST return filing
- ▶ Exempt supply to include value of in-bond sale for ITC reversal
- ▶ Subject to consent, information on GST portal to be shared by Government with specified systems. Government not liable for any liability arising due to sharing of such information

# Central Goods & Services Tax

*Effective from enactment of Finance Bill No. 17 of 2023*

- ▶ 3 year limit prescribed for filing GSTR-1, GSTR-3B, GSTR-8 & GSTR-9, beyond due date. Conditions to be prescribed for filings beyond 3 years
- ▶ Provisional ITC refund aligned with current scheme of self assessed ITC
- ▶ Conditions/restrictions to be prescribed for computation of interest on delayed refund
- ▶ ITC not available for goods/services, used/intended for CSR activities

# Central Goods & Services Tax

*Effective from enactment of Finance Bill No. 17 of 2023*

- ▶ Penalty prescribed for ECO under specified situations
- ▶ Specified offences decriminalized & monetary threshold enhanced for launching prosecution, except offence of issuing fraudulent invoices
- ▶ Option for compounding not available to offence of issuing fraudulent invoices
- ▶ Minimum and maximum limit for compounding of offences prescribed



# Integrated Goods & Services Tax

*Effective from enactment of Finance Bill No. 17 of 2023*

- ▶ Place of supply for transportation of goods:
  - registered person- location of such person
  - unregistered person- location where goods handed over for transportation
- ▶ Definition of non-taxable online recipient amended to include OIDAR services received by unregistered person

# Glossary

Abbreviations	
CA	Customs Act
CD	Custom Duties
CGST	Central Goods & Services Tax
CH	Chapter Heading
CSR	Corporate Social Responsibility
CT	Customs Tariff
CTA	Customs Tariff Act

Abbreviations	
ECO	Electronic Commerce Operator
GST	Goods & Services Tax
GSTR	Goods & Services Tax Return
IGST	Integrated Goods & Services Tax
ITC	Input Tax Credit
OIDAR	Online Information and Database Access or Retrieval Services

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# THANK YOU!

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# Location



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