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YEARS OF
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INTERIM BUDGET

2024-25



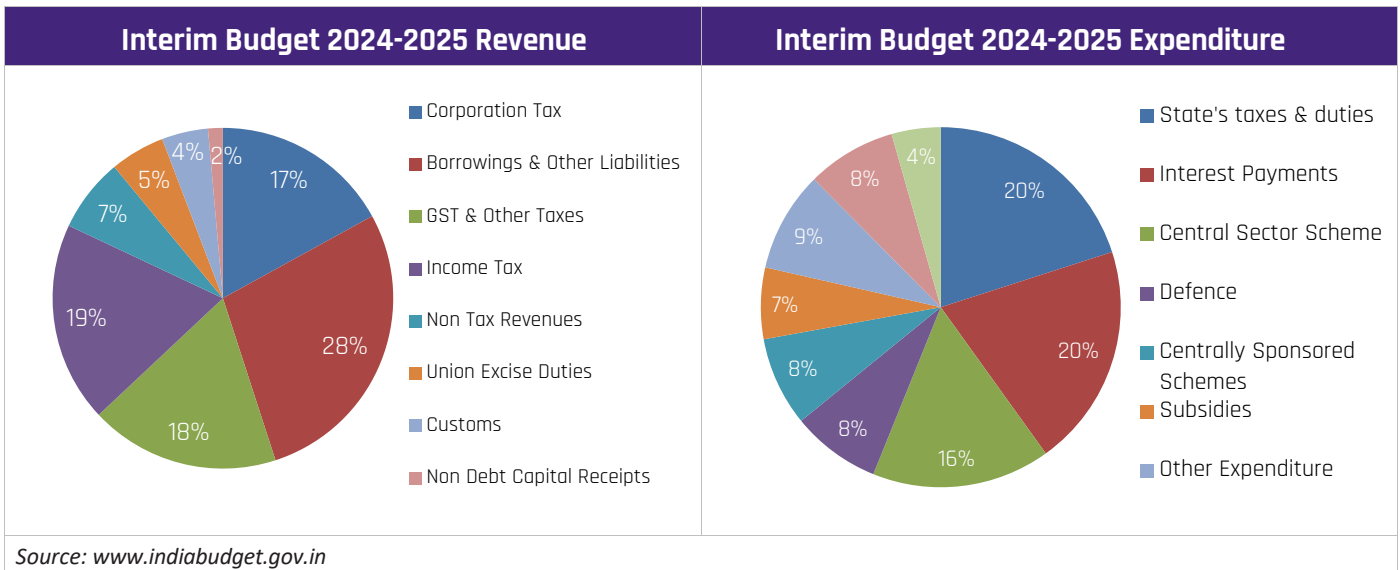
Interim Budget 2024-25 Review

Finance Minister Nirmala Sitharaman presented the Interim Budget dated 01st February, 2024, with a focus on the comprehensive aspects of GDP - Governance, Development, and Performance. In her Budget speech, she said that Indian economy has witnessed a profound transformation in the last ten years and that the Modi government carried out structural reforms and implemented pro-people programmes. She laid down key focus areas like fiscal consolidation, infrastructure, agriculture, green growth, and railways. However, no changes were made in the tax rates. It was vote-on-account budget which significantly emphasis on revival of rural growth & demand, overall infrastructure developments and higher capital investments. Overall, the budget is healthier for the economy since it places greater importance on capital spending, which will create jobs, support infrastructure development and subsequently private capex revival. Their ultimate vision to make developed India by 2047 with the focus on Sabka Sath, Sabka Vikas Aur Sabka Vishwas. The full budget will be presented in July this year after the new government is formed post the Lok Sabha Elections.

Budget Estimates (INR Cr)

Particulars	BE 2023-2024	RE 2023-2024	BE 2024-2025
Revenue Receipts	2632281	2699713	3001275
Capital Receipts	84000	56000	79000
Total Receipts	2716281	2755713	3080275
Revenue Expenditure	3502136	3540239	3654657
Capital Expenditure	1000961	950246	1111111
Total Expenditure	4503097	4490485	4765768
Fiscal Deficit	1786816	1734772	1685493
Fiscal Deficit (% of GDP)	5.9	5.8	5.1

Source: www.indiabudget.gov.in



Sector Highlights of Interim Budget 2024-25

Agriculture

- The government plans to boost both private and public investments in post-harvest activities. This includes improving aggregation, building modern storage facilities, developing efficient supply chains, and enhancing primary and secondary processing, as well as marketing and branding efforts.
- Following the successful implementation of Nano Urea, the government intends to expand the use of Nano DAP (Diammonium Phosphate) across various crops in all agro-climatic zones.
- Direct financial assistance to 11.8 crore farmers under PM-KISAN, Crop Insurance to 4 crore farmers under PM Fasal Bima Yojana.
- Integration 1,361 mandis under eNAM, supporting trading volume of Rs. 3 lakh crore.
- To achieve self-reliance ('atmanirbharta') in the production of oil seeds, there will be a focus on increasing the cultivation and production of key oilseeds such as mustard, groundnut, sesame, soybean, and sunflower.
- Comprehensive programme for dairy development to be formulated.
- Implementation of Pradhan Mantri Matsya Sampada Yojana to be stepped up to enhance aquaculture productivity, double exports and generate more employment opportunities.

Infrastructure

- The capital expenditure outlay, which has tripled in the last four years boosting economic growth and employment, will rise by 11.1% to Rs. 11,11,111 crore for FY2024-25. This enhanced outlay amounts to 3.4% of the GDP. This implies the private sector will have to step in if the growth momentum has to be maintained.

Railways & Logistics

- Three major economic railway corridor programs will be implemented: energy, mineral, and cement corridors; port connectivity corridors; and high traffic density corridors, as identified under the PM Gati Shakti initiative for enhanced multi-modal connectivity, aiming to boost logistics efficiency and reduce costs.
- These projects will lead to the decongestion of high-traffic corridors, improving the operations of passenger trains by enhancing safety and increasing travel speed, complementing the dedicated freight corridors to foster GDP growth and minimize logistic expenses.
- Having a focused approach to improve freight movement will help in achieving the National Rail Plan targets of 50% modal share over the medium term.
- To improve passenger safety, convenience, and comfort, 40,000 normal rail bogies will be upgraded to Vande Bharat standards.
- The rapid expansion of the middle class and urbanization are driving the need for urban transformation, with Metro Rail and NaMo Bharat acting as catalysts. Support will be focused on expanding these systems in large cities, with an emphasis on transit-oriented development.

Green Mobility and Energy

- To achieve the 'net-zero' goal by 2070, viability gap funding will support the harnessing of offshore wind energy with an initial capacity of 1 gigawatt.
- A target to establish a coal gasification and liquefaction capacity of 100 MT by 2030 aims to reduce imports of natural gas, methanol, and ammonia.
- Mandatory blending of compressed biogas (CBG) in CNG for transport and PNG for domestic use will be enforced, alongside financial assistance for biomass aggregation machinery.
- Adoption of e-buses for public transport network to strengthen e-vehicle ecosystem by supporting manufacturing and charging.
- A new scheme focusing on bio-manufacturing and bio-foundries will be introduced to promote green growth, offering eco-friendly alternatives like biodegradable polymers, bio-plastics, bio-pharmaceuticals, and bio-agri-inputs. This initiative aims to shift the current consumptive manufacturing model to one grounded in regenerative principles.

Healthcare

- Maternal and child care schemes will be unified into a comprehensive program to enhance synergy in implementation, with a focus on accelerating the upgradation of anganwadi centers under "Saksham Anganwadi and Poshan 2.0" for better nutrition delivery and early childhood care.
- The U-WIN platform, designed for immunization management, alongside intensified efforts of Mission Indradhanush, will be swiftly deployed nationwide.
- Healthcare coverage under the Ayushman Bharat scheme will be expanded to include all ASHA workers, Anganwadi Workers, and Helpers.
- Encourage Cervical Cancer Vaccination for girls (9-14 years).

Housing

- Pradhan Mantri Awas Yojana (Grameen) close to achieving target of 3 crore houses, additional 2 crore targeted for next 5 years.
- Housing for Middle Class scheme to be launched to promote middle class to buy/built their own houses.

Education

- Empowering the youth, known as "Amrit Peedhi," is crucial for national prosperity, with significant strides made across education, skills development, entrepreneurship, and sports.
- Transformational education reforms through the National Education Policy 2020 and PM Schools for Rising India (PM SHRI) aim to provide quality education and holistic development.
- The Skill India Mission has trained and upskilled millions, while the establishment of new ITIs, IITs, IIITs, IIMs, AIIMS, and universities significantly boosts higher education and vocational training.
- Entrepreneurial support through the PM Mudra Yojana and other schemes aids youth in becoming job creators, alongside notable achievements in sports, including a record medal tally at the Asian Games and the rise of chess grandmasters, exemplifying the global competitive spirit of Indian youth.

Aviation

- Over the past decade, the aviation sector has seen significant growth, with the number of airports doubling to 149. This expansion includes widespread air connectivity to tier-two and tier-three cities under the UDAN scheme, adding 517 new routes that have served 1.3 crore passengers.
- Indian carriers have placed orders for over 1000 new aircraft to meet growing demand, and efforts to expand existing airports and develop new ones are proceeding rapidly.

Tourism

- States will be encouraged to undertake development of iconic tourist centres to attract business and promote opportunities for local entrepreneurship.
- Long-term interest free loans to be provided to States to encourage development.
- G20 meetings in 60 places presented diversity of India to global audience.
- Projects for port connectivity, tourism infrastructure, and amenities will be taken up in islands, including Lakshadweep.

Ministry Wise Allocation

Specific Ministries	In Rs Lakh Cr
Defense	6.2
Road Transport and Highways	2.78
Railways	2.55
Consumer Affairs, Food & Public Distribution	2.13
Home Affairs	2.03
Rural Development	1.77
Chemicals and Fertilizers	1.68
Communications	1.37
Agriculture and Farmer's Welfare	1.27

Source: www.indiabudget.gov.in

Other Key Announcement

- FM Sitharaman outlines four key groups for policy orientation: women, youth, farmers, and the poor.
- Tax rates remain unchanged for direct and indirect taxes, including import duties.
- Detailed roadmap for Vikasit Bharat to be presented in July.
- Government plans to set up more medical colleges by using existing hospital infrastructure and a committee for this will be set up to examine and make necessary recommendations.
- 300 units of free electricity monthly for 10 million households through roof-top solarisation.
- The Direct Benefit Transfer scheme results in Rs 34 trillion distribution, saving Rs 2.7 trillion for the government.
- A corpus of Rs.1 lakh crore for long-term, interest-free loans to boost innovation. This will encourage the private sector to scale up research and innovation in sunrise sectors. There will be impetus for deep tech startups working in the defence sector.
- The fiscal deficit target for FY24 has been revised to 5.8% of GDP vs 5.9% earlier, and for FY25 has been significantly reduced to 5.1% of GDP. Moving towards, ultimate aim is to reduce to 4.5% of GDP by FY26.
- No changes for Individual tax payers.

Allocation to Major Schemes (in Rs. Cr.)

Schemes	2023-24(BE)	2024-25(BE)
Mahatma Gandhi National Rural Employment Guarantee Scheme	60000	86000
Ayushman Bharat-PMJAY	7200	7500
Production Linked Incentive Scheme	4645	6200
Modified Programme for Development of Semiconductors and display manufacturing ecosystem	3000	6903
Solar Power (Grid)	4970	8500
National Green Hydrogen Mission	297	600

Source: www.indiabudget.gov.in

Direct Tax

- Direct tax collections tripled and return filers increased 2.4 times over the last decade, demonstrating effective use of taxpayer contributions for national development.
- 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.
- Retention of same tax rates; For Corporate Taxes-22% for existing domestic companies, 15% for certain new manufacturing companies.
- No tax liability for taxpayers with income up to Rs.7 lakh under the new tax regime
- Improved taxpayer services feature faceless assessments, simplified tax return processes, and faster refund processing, enhancing efficiency and transparency in tax administration. Reduction in average processing time of returns from 93 days (2013-14) to 10 days (2023-24).

Indirect Tax

- GST unified India's indirect tax system, reducing compliance burdens and gaining approval from 94% of industry leaders for its positive impact on supply chain optimization and tax base expansion, with average monthly GST collections nearly doubling to Rs. 1.66 lakh crore.
- States have seen significant revenue growth from SGST, with post implementation of GST regime, the revenue buoyancy reaching 1.22, compared to a pre-GST buoyancy of 0.72, benefiting from the streamlined tax system.
- Custom reforms have facilitated international trade, significantly reducing import release times at inland container depots, air cargo complexes, and sea ports, enhancing efficiency and speed in the trade process.

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