



180Degrees
CONSULTING
— SGGSCC —

ANALYSIS OF INTERIM

UNION BUDGET

2024-25

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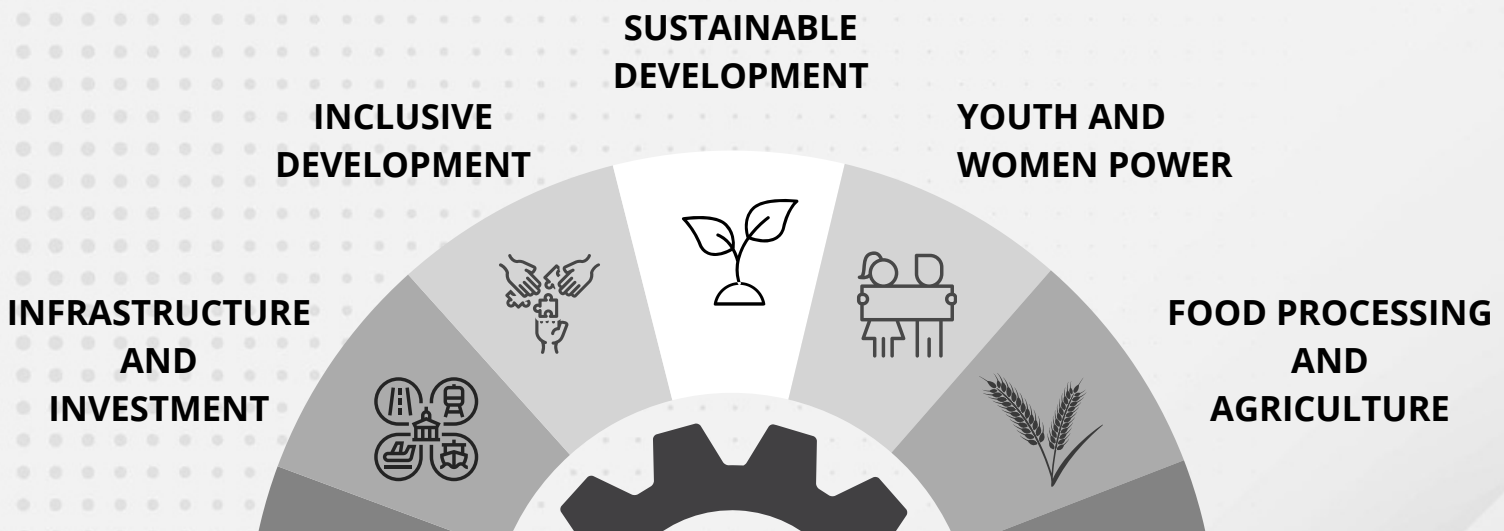
INTRODUCTION

In the backdrop of an election year, the budget presented on February 1, 2024, by Finance Minister Nirmala Sitharaman is recognized as an interim one, signaling a period of stability until post-election policy shifts. The focal point of this budget echoes the commitment of a **'Viksit Bharat'** or a developed India by 2047, guided by the principle of **'Reform, Perform, and Transform'**. The Government aims to adopt policies that sustain growth, foster inclusive development, enhance productivity, and create opportunities for all.

With **'Sabka Saath, Sabka Vikas'** as its 'mantra' the Interim Budget 2024 prioritized youth and women empowerment, while maintaining **fiscal consolidation** and **continuing capex**. The Outlay for infrastructure was increased by 11% for FY 25 to ₹11,11,111 crore and an aggressive fiscal deficit target of 5.1% was set for FY25. FM also stressed on 5 'Disha Nirdashak' baatein:

- **Social justice as an effective governance model**
- **Focus on the poor, youth, women, and the Annadata (farmers)**
- **Focus on infrastructure**
- **Use of technology to improve productivity and**
- **High power committee for challenges arising from demographic challenges**

STRATEGIES FOR AMRIT KAAL



KEY HIGHLIGHTS

Revised fiscal deficit for 2023-24: 5.8% of GDP

Projected fiscal deficit for 2024-25: 5.1% and target to reduce the fiscal deficit to 4.5% by 2025-26.

Increased capital expenditure (capex) : ₹11.11 lakh crore.

Railways allocated Rs 2.55 lakh crore for FY25

PM Gati Shakti to enhance logistics efficiency and Conversion of 40,000 rail bogies to Vande Bharat.

Rooftop solarization for 1 crore households, providing 300 units of free electricity.

Expanding existing airports and undertaking development of new airports under the UDAN scheme.

Maintained existing tax rates and no major changes in income tax slabs or exemptions.

Withdrawal of outstanding direct tax demands, benefiting 1 crore taxpayers.

Tax receipts projected at Rs 26.02 lakh crore.

Various social welfare schemes, including 'Housing for Middle Class'.

Health initiatives like Ayushman Bharat cover extended to ASHA and Anganwadi workers.

Promotion of cervical cancer vaccination for girls aged 9-14

MNREGA: Allocation hiked to Rs 86,000 crore from Rs 60,000 in FY24, a 43.33 percent increase.

Ayushman Bharat-PMJAY: Allocation hiked to Rs 7,500 crore from Rs 7,200 crore

PLI Scheme: Allocation hiked to Rs 6,200 crore from Rs 4,645 crore in, a 33.48 percent increase.

Nutrition programs like Saksham Anganwadi and Poshan 2.0 accelerated.

Direct Benefit Transfers through PM Jan Dhan Yojana accounts lead to a ₹2.7 lakh crore saving.

Credit assistance to 78 lakh street vendors(PM-SVANidhi scheme).

Mudra Yojna loans extended to women entrepreneurs(30 crore loan)

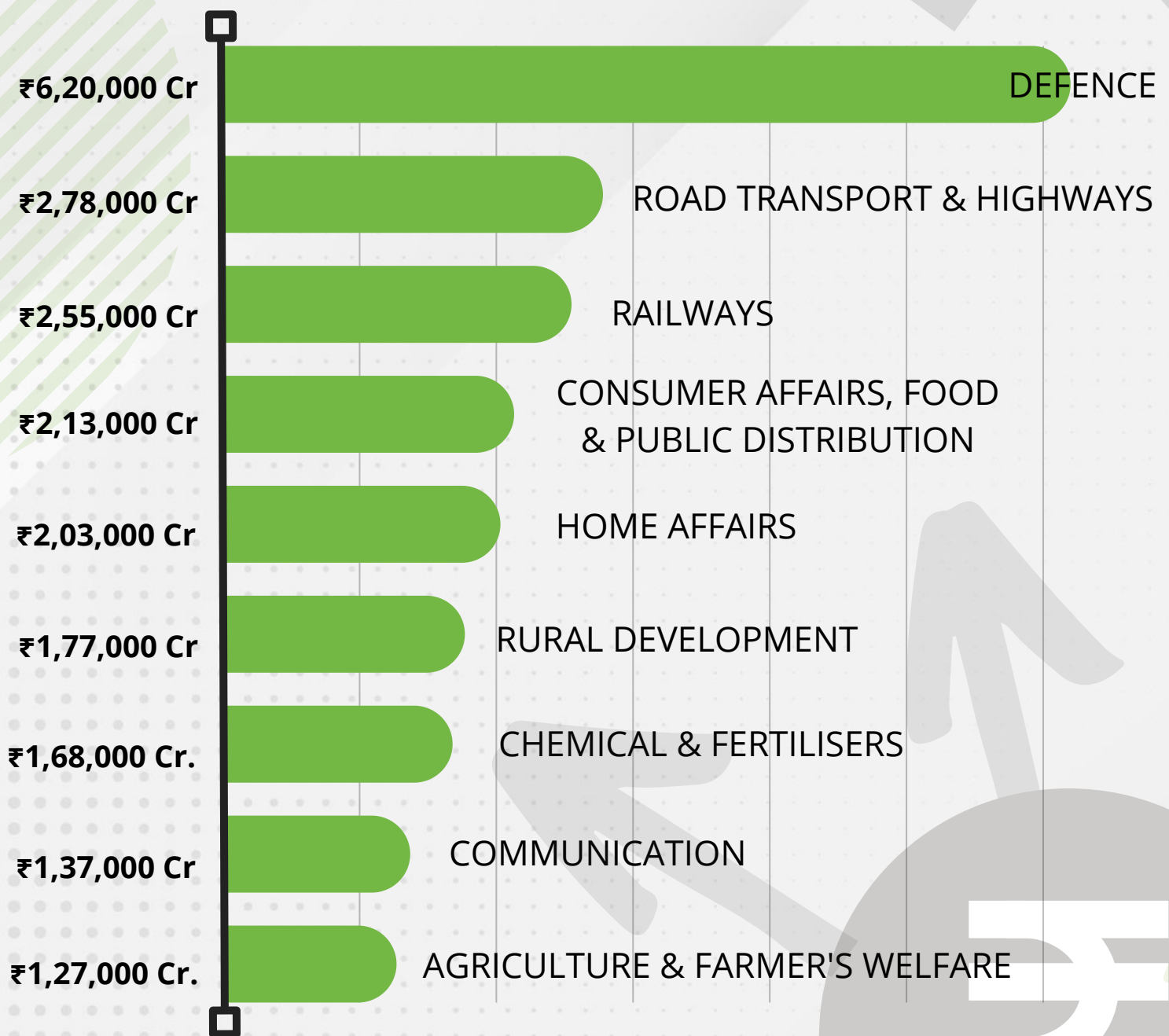
Defense allocation FY25 has risen to Rs 6.21 lakh crores, a 4.5% increase from the previous year.

Divestment target : Rs 50,000 crore &Gross market borrowing target: Rs 14.13 lakh crore

Agriculture receives support with irrigation projects and crop insurance schemes











EXPENDITURE & ALLOCATION

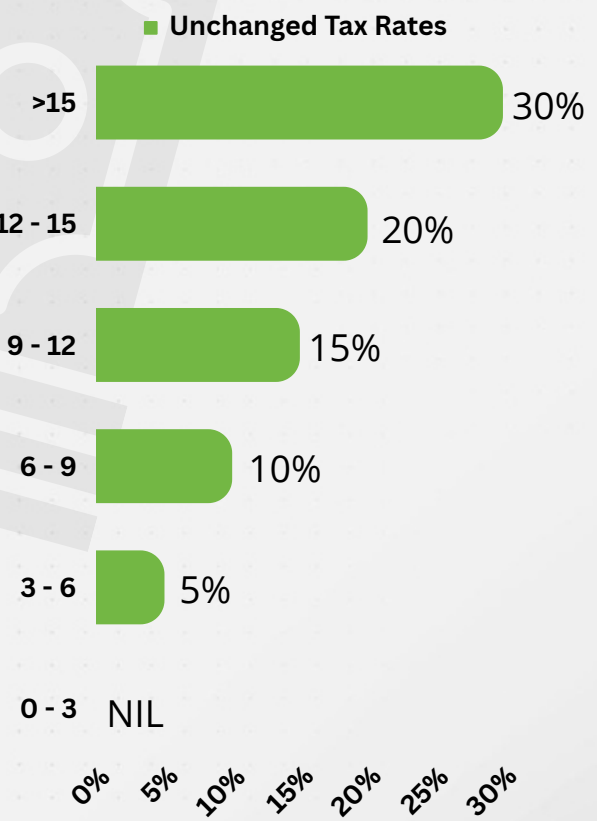
The Government proposes to spend **Rs 47,65,768 crore in 2024-25**, which is an increase of 6.1% over the revised estimate of 2023-24. Interest payments account for 25% of the total expenditure and 40% of revenue receipts.



UPDATED TAX REGULATIONS



-  Despite elections nearing, no inclination for voter-friendly moves like tax cuts; taxes maintained at current levels.
-  Direct tax benefits to startups, sovereign wealth funds, pension funds, and select IFSC units, extended to March 2025, originally set to expire in March 2024.
-  Finance Minister proposed withdrawal of disputed income tax demands dating back to 1962 to address long-standing disputes.
-  Budget suggests waiving off small tax demands of ₹25,000 or less, applicable until FY15, benefiting a substantial 1 crore taxpayers.
-  Reduction in average processing time of returns from 93 (2013-14) to 10 days(2023-24)
-  The tax receipts for the FY 2024-25 are estimated to be ₹ 26.02 lakh crore compared to ₹ 23.24 lakh crore in 2023-2024
-  Average monthly Gross GST collections doubled to 31.66 lakh crore in FY24
-  Increase in tax buoyancy of State revenue from 0.72 (2012-16) to 1.22 in the post-GST period (2017-23)
-  Direct Tax Collections have more than trebled in the last 10 years
-  Anticipation for a more favorable outcome for taxpayers in the upcoming July budget.



LOSERS

Taxpayers

Infrastructure

Metal/Cement

Jewelers

EV Mobility

Disinvestment

WINNERS

Defence

Green Energy

Middle Class

Carmakers

Agriculture

Tourism

KEY HIGHLIGHTS OF THE INDIAN ECONOMY: A REVIEW

Agriculture

- The agriculture sector provides livelihoods to over half of the country's population. In the Budget 2021-22, the allocation for Agriculture and Allied Activities was INR 1.48 lakh crore, a 5.6% increase from the previous year.
- The government announced the launch of the Agriculture Infrastructure and Development Cess, to boost infrastructure spending in the sector.
- In the Budget 2022-23, the allocation for the sector was increased to INR 1.67 lakh crore, a 12.7% increase from the previous year.



Education

- Education is crucial for India's long-term development. In the Budget 2021-22, the allocation for education was INR 93,224 crore, a 6% increase from the previous year.
- Key initiatives announced include the establishment of 100 new Sainik Schools, the introduction of a Central University in Leh, and the launch of a National Research Foundation. In the Budget 2022-23, the allocation for education was increased to INR 1.16 lakh crore, a 24.7% increase from the previous year.



Infrastructure

- In the Budget 2021-22, the allocation for infrastructure spending was INR 5.54 lakh crore, a 34.5% increase from the previous year.
- The government announced the launch of a National Infrastructure Pipeline (NIP), with a projected investment of INR 111 lakh crore over five years. Focus areas identified include transportation (roads, railways, airports), energy (renewable energy), and digital infrastructure.
- In the Budget 2022-23, the allocation for infrastructure spending was increased to INR 6.01 lakh crore, a 8.5% increase.



Healthcare

- The Covid-19 pandemic has highlighted the critical need for a robust healthcare system. In the Budget 2021-22, the allocation for healthcare was INR 74,602 crore, a 137% increase from the previous year.
- Key initiatives announced include the launch of the PM Atmanirbhar Swasth Bharat Yojana, with an outlay of INR 64,180 crore over six years, and the setting up of integrated public health labs in all districts. In the Budget 2022-23, the allocation for healthcare was increased to INR 97,417 crore, a 30.6% increase from the previous year.



Social Welfare

- The Indian government is committed to ensuring the well-being of its citizens, especially the marginalized and vulnerable sections of society. In the Budget 2021-22, the allocation for social welfare was INR 2.23 lakh crore, a 10.1% increase from the previous year.
- Key initiatives announced include the launch of the PM Aatmanirbhar Swasth Bharat Yojana, a Rs. 35000 crore program to ensure better healthcare services in rural areas and the launch of a new centrally sponsored scheme - PM Gati Shakti for the development of village infrastructure.
- In the Budget 2022-23, the allocation for social welfare was increased to INR 2.71 lakh crore, an increase of 21.4% from the previous year.



Defense

- The defense sector is critical for India's national security, and the government is committed to modernizing the armed forces. In the Budget 2021-22, the allocation for defense was INR 4.78 lakh crore, a 6.2% increase from the previous year.
- The government announced its intention to increase private sector participation in defense manufacturing and launch the PM Swasthya Suraksha Yojana. In the Budget 2022-23, the allocation for defense was increased to INR 5.05 lakh crore, a 5.6% increase from the previous year.

STRATEGIES EXPLAINED

INCLUSIVE DEVELOPMENT



- Government strengthened its 'mantra' to 'Sabka Saath, Sabka Vikas, and Sabka Vishwas'
- Social inclusivity through coverage of all strata of society
- Geographical inclusivity through development of all regions of the country

- Saksham Anganwadi and Poshan 2.0 to be expedited
- U-WIN platform for immunization efforts of Mission Indradhanush to be rolled out
- Ayushman Bharat scheme to be extended to all ASHA, Angawadi workers and helpers

- Pradhan Mantri Awas Yojana (Grameen) close to achieving target of 3 crore houses, additional 2 crore targeted for next 5 years
- G20 meetings in 60 places presented diversity of India to global audience
- Projects for port connectivity, tourism infrastructure, and amenities, including Lakshwadeep



Increased Capital investment outlay by 11% to Rs.11.1 lakh crore

- ✓ Implementation of 3 major railway corridor programmes under PM Gati Shakti

- ✓ Expansion of existing airports and comprehensive development of new airports under UDAN scheme

- ✓ Forty thousand normal rail bogies will be converted to the Vande Bharat standards

The gross and net market borrowings through dated securities during 2024-25 are estimated at ₹ 14.13 and 11.75 lakh crore respectively



- Electronic National Agriculture Market has integrated 1361 mandis with trading volume of ₹ 3 lakh crore.
- Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs
- Atmanirbhar Oilseeds Abhiyaan-Strategy to be formulated to achieve atmanirbharta for oilseeds
- Implementation of Pradhan Mantri Matsya Sampada Yojana to be stepped up to enhance aquaculture productivity



Viability gap funding will be provided for harnessing offshore wind energy potential

For promoting climate resilient activities for blue economy 2.0, a scheme for restoration and adaptation measures will be launched

Coal gasification and liquefaction capacity of 100 MT will be set up by 2030.

Commitment for 'net-zero' by 2070

More than 10 crore LPG connections released under PMUY

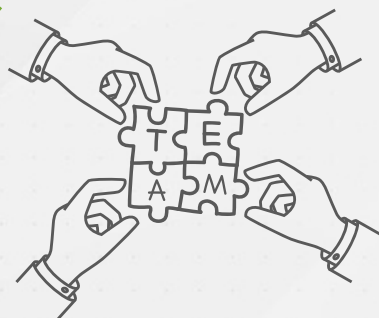


Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes

New scheme of biomanufacturing and bio-foundry to be launched to support environment friendly alternatives

1 crore households will be enabled to obtain up to 300 units of free electricity per month

YOUTH POWER



- 📍 The Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth
- 📍 A large number of new institutions of higher learning, namely 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS and 390 universities have been set up
- 📍 PM Mudra Yojana has sanctioned 43 crore loans aggregating to ` 22.5 lakh crore for entrepreneurial aspirations of our youth
- 📍 Fund of Funds, Start Up India, and Start Up Credit Guarantee schemes are assisting our youth grow

📍 The legal prohibition of 'Triple Talaq' stands as a significant step, reinforcing women's empowerment and safeguarding their rights

📍 Reserved one-third seats for women in legislative bodies and allocating over seventy percent of PM Awas Yojana rural houses to women promotes inclusivity

📍 1 crore women assisted by 83 lakh SHGs to become Lakhpati Didis

📍 Female enrolment in higher education has gone up by twenty-eight per cent in ten years

📍 Thirty crore Mudra Yojana loans have been given to women entrepreneurs

📍 In STEM courses, girls and women constitute forty-three per cent of enrolment - one of the highest in the world

WOMEN EMPOWERMENT



SCHEMES AND POLICY SNAPSHOTS



Recognizing farmers as our 'Annadata,' the PM-KISAN SAMMAN Yojana annually provides direct financial assistance to 11.8 crore farmers, including marginal and small farmers. Additionally, PM Fasal Bima Yojana extends crop insurance to 4 crore farmers, contributing to food security at both the national and global levels.

PM Mudra Yojana has sanctioned 43 crore loans, amounting to ₹22.5 lakh crore, fueling entrepreneurial aspirations among the youth. The Fund of Funds, Start-Up India, and Start-Up Credit Guarantee schemes are complementing these efforts, transforming our youth into contributors to economic growth.



The Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh individuals, and established 3000 new ITIs. A substantial increase in institutions of higher learning, including 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS, and 390 universities, is a testament to the government's commitment to providing quality education.

The 'Direct Benefit Transfer' initiative, channeling ₹34 lakh crore through PM-Jan Dhan accounts, has not only streamlined financial transactions but also resulted in significant savings of ₹2.7 lakh crore for the Government. This achievement is attributed to the elimination of previously rampant leakages, redirecting funds towards the 'Garib Kalyan' program.





Under PM-SVANidhi, 78 lakh street vendors have received credit assistance, with 2.3 lakh benefiting from this support for the third time.

The National Education Policy 2020 is ushering in transformative reforms, and PM Schools for Rising India (PM SHRI) are playing a pivotal role in delivering high-quality education, and shaping well-rounded individuals. This centrally-sponsored scheme aims to establish over 14,500 PM SHRI Schools.





Ayushman Bharat-PMJAY: Allocation hiked to Rs 7,500 crore for FY25 from Rs 7,200 crore in FY24, a 4.2 percent increase

The Pradhan Mantri Kisan Sampada Yojana has not only benefitted 38 lakh farmers but has also generated 10 lakh employment opportunities. The Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has further assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages.



Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA): Allocation hiked to Rs 86,000 crore for FY25 from Rs 60,000 in FY24, a 43.33 percent increase

STOCK MARKET REACTIONS

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- The Indian stock market experienced heightened volatility following the presentation of the interim Budget. The BSE Sensex fell 106.81 pts to close at 71,645.30 and the NSE Nifty fell 28.25 pts or 0.13% to settle at 21,697.45.
 - Nirmala Sitharaman has increased the outlay for capital expenditure by 11.1% to Rs 11.11 lakh crore, which would be 3.4% of GDP. This will help boost economic activity and serve the vision of Viksit Bharat.
 - Sparking a rally in EV stocks, the Budget expanded and strengthened the e-vehicle ecosystem by supporting manufacturing and charging infrastructure. Greater adoption of e-buses for public transport networks will be encouraged through the payment security mechanism.
 - After the success of Vande Bharat trains, the FM announced that around 40,000 more rail bogies will be converted to Vande Bharat coaches. Stocks such as Jupiter Wagons, Titagarh Rail Systems, Siemens, RVNL would benefit from this
 - Through rooftop solarization under Suryodaya Yojana, 1 crore households will be enabled to obtain up to 300 units free electricity every month, which will help households to save monthly up to Rs 15,000–18,000. Solar power companies such as Insolation Energy, Surana Solar, Solex Energy, etc stand to benefit from the rooftop solarization scheme.

POST BUDGET PRESS CONFERENCE

Integrated Corridor

PM Gati Shakti launches railway corridors for energy, minerals, ports, and high-traffic routes, enhancing multi-modal connectivity, logistics efficiency, and reducing costs.

Growth Vision

Nirmala Sitharaman envisions transforming northeastern states and Chhattisgarh, Bihar, Jharkhand, Odisha, and West Bengal into growth drivers for Amrit Kaal India by 2047

Regional Corridor

Despite Red Sea disturbances, FM Sitharaman reaffirms commitment to the corridor, stressing its long-term regional impact and ongoing consultations for comprehensive development.



Lakhpati Didi

Further FM announced that eighty-three lakh SHGs (self-help groups) with nine crore women are transforming the rural socio-economic landscape with empowerment and self-reliance. Their success has assisted nearly one crore women to become 'Lakhpati Didi' already. Buoyed by the success, it has been decided to enhance the target for 'Lakhpati Didi' from 2 crore to 3 crore.

Performance Metrics

In her statement, FM Nirmala Sitharaman defines the interim budget as a reflection of GDP - Governance, Development, and Performance. Emphasizing governance with care, she highlights achievements in delivering on development through correct policies and decisions.

The 'D' signifies people living better, earning better, and having high aspirations, while the 'P' denotes three consecutive years of 7% growth, positioning India as the faster-growing economy in the G20 with widespread participation in growth across the country.

EXPERTS REVIEW ON THE BUDGET

"The corporate bond market is expected to benefit from increased availability following lower than expected government bond sales by ~₹1 lakh crore next fiscal, as the government seeks to rein in the fiscal deficit to 5.1% of GDP. This augurs well for the anticipated revival in private sector capex across sectors in fiscal 2025.

says **Gurpreet Chhatwal, Managing Director, CRISIL Ratings Ltd.**

The government anticipates that reduced spending as a percentage of GDP will largely drive the reduction in the fiscal deficit, despite ongoing increases in planned infrastructure spending.

says **Christian de Guzman, Senior Vice President, Moody's Investor Services**



The initiatives are encouraging and will aid in the growth of the housing market. However, as the tax rates remain unchanged, the common man will not have additional money in his pocket, which may be a deterrent on the spending capacity of taxpayers

says **CREDAI President Boman Irani**

ACKNOWLEDGEMENT

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This budget report stands as a testament to the team's collaborative spirit, analytical prowess, and commitment to delivering a well-informed and comprehensive financial overview. The individual expertise of each contributor has played a crucial role in shaping a document that aligns with the highest standards of accuracy and thoroughness.

Lastly, we'd like to express our gratitude to Sri Guru Gobind Singh College of Commerce for their unwavering support and guidance in the making of this Report.

1. Aadit Verma
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REACH US

