

Finance Minister Nirmala Sitharaman presented the Interim budget on 1st February 2024

An Interim Budget which is on track to achieve the long term objectives of the Nation

Key Financial Highlights-Revised Estimates for 2023-2024:

Total receipts other than borrowings-Rs. 27.56 Lakh Crores
Tax receipts- Rs. 23.24 lakh Crores
Total expenditure- Rs. 44.90 Lakh crores
Revenue receipts- Rs. 30.03 lakh crores
Fiscal deficit- 5.8% of GDP

Budget Estimates for 2024-2025

Total receipts other than borrowings-Rs. 30.08 Lakh Crore
Tax receipts- Rs. 26.02 lakh crore
Total Expenditure- Rs. 47.66 lakh crore
fifty-year interest free loan for capital expenditure-Rs. 1.3 lakh crore
Fiscal deficit-5.1% of GDP (on track to achieve the 2025-2026 target of below 4.5% of GDP)
Gross market borrowings through dated securities- Rs. 14.13 Lakh Crore
Net market borrowings through dated securities- Rs. 11.75 lakh crore

No changes made in relation to taxation and tax rates have been kept same for both direct and indirect tax. Tax benefits to start-ups and investments made by sovereign wealth or pension funds as also tax exemption on certain income of some IFSC units which are expiring on 31.03.2024 are proposed to be extended to 31.03.2025. To benefit 1 crore tax payers, direct tax demands of up to Rs. 25000 pertaining to period up to financial year 2009-10 and up to Rs. 10000 for financial year 2010-11 to 2014-15 are proposed to be withdrawn by FM.

Interim Budget 2024

FM Sitharaman started the budget with the positive note by stating that the Indian economy has witnessed positive transformation in the last 10 years. The worries about food has been eliminated through free ration for 80 crore people.

The government has aim to make India a “Viksit Bharat” by 2047 with an approach to development that is all-round, all-pervasive and all-inclusive. A provision of Rs. 75 thousand crore as fifty-year interest free loan is proposed this year to support those reforms by the State Governments needed for realizing the vision. To cater to and make recommendation in relation to the goal of Viksit Bharat on challenges arising from fast population growth and demographic changes a high powered committee will be formed.

The focus of this interim budget was on *Garib, Mahilayen, Yuva and Annadata*:

Garib-The government has supported 25 crore people to get out of multi-dimensional poverty over the last 10 years. “Direct benefit transfer” in which government directly transfer the benefits to the under-privileged population covered under 34 central schemes, has led to savings of Rs. 2.7 lakh crore for the government from the total Rs. 34 lakh crore transferred using the PM-Jan Dhan accounts. PM-SVANidhi which is a special Micro-Credit Facility launched by Ministry of Housing and Urban Affairs, for providing affordable loans to street vendors. This scheme has provided credit assistance to 78 lakh street vendors of which 2.3 lakh crore vendors have received the benefit for the third time.



Annadata- Direct assistance given to 11.8 crore farmers including marginal and small farmers under PM-KISAN SAMMAN Yojana. Crop insurance is given to 4 crore farmers under PM Fasal Bima Yojana. 1361 mandis have been integrated under Electronic National Agriculture Market, and is providing services to 1.8 crore farmers with trading volume of Rs. 3 lakh crore.

Yuva- To support the entrepreneurial aspirations of our youth, PM Mudra Yojana has sanctioned 43 crore loans aggregating to Rs. 22.5 lakh crore. 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS and 390 universities have been set up by the government to empower the youth. Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth and established 3,000 new ITIs

Mahilayen- under the Mudra Yojana loans, 30 crores have been given to women entrepreneurs. Female enrollment in higher education has gone up by 28% in last 10 years and they contribute 43% in STEM course, highest in the worlds. Triple Talaq, which was made illegal, 1/3rd seats have been reserved in Lok Sabha and State Legislative assemblies and 70% of houses under PM Awas Yojna have been given to women as a sole or joint owner.

Tax reforms have led to deepening and widening of tax base. The India-Middle East- Europe Economic corridor, which was initiated on Indian soil, is a strategic and economic game changer for India and others having the potential to become the basis of world trade for hundreds of years to come.

The government is focused on growing the MSME and making them globally competitive by providing timely and adequate finances, relevant technologies and appropriate training. To meet the investment needs government will prepare the financial sector in terms of size, capacity, skills and regulatory framework.

1 crore households will get 300 units of free electricity every month through the rooftop solarization. This will lead to saving of Rs. 15-18 thousand from free solar electricity and selling the surplus to the distribution companies, charging of electric vehicles, entrepreneurship opportunities for a large number of vendors for supply and installation and employment opportunities. Government is planning to launch a scheme to help deserving sections of middle class living in rented houses or slums, or chawls and unauthorized colonies to buy or build their own homes. Government is close to meeting its goal of 3 crore houses under the PM Awas Yojana (Grameen) and 2 crore more houses will be taken up in the next 5 years.

To set up more medical colleges by utilizing the existing hospital infrastructure under various departments. Encourage vaccination for the girls in the age of 9-14 years for prevention of cervical cancer. A comprehensive program will be made under which various schemes for maternal and child care will be bought together. Upgradation of anganwadi centres under “Saksham Anganwadi and Poshan 2.0” will be expedited for improved nutrition delivery, early childhood care and development. Healthcare cover under Ayushman Bharat scheme will be extended to all ASHA workers, Anganwadi Workers and Helpers.

Pradhan Mantri Kisan Sampada Yojana has benefitted 38 lakh farmers and generated 10 lakh employment. Pradhan Mantri Formalisation of Micro Food Processing Enterprises Yojana has assisted 2.4 lakh SHGs and sixty thousand individuals with credit linkages. Private and public investment will be promoted in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing and marketing and branding to ensure faster growth in agriculture and food processing. Application of Nano DAP on various crops will be expanded in all agro-climatic zones. To achieve atmanirbharta a strategy will be formulated for oil seeds such as mustard,

groundnut, sesame, soybean, and sunflower. The Minimum Support Prices are also increased periodically.

Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to, enhance aquaculture productivity from existing 3 to 5 tons per hectare, double exports to Rs. 1 lakh crore and generate 55 lakh employment opportunities in near future. 5 integrated aquaparks will be setup.

A comprehensive program for supporting dairy farmers will be formulated.

The target for Lakhpati didi has been upgraded from 2 crore to 3 crore. 1 crore women assisted by 83 lakh SHGs to become Lakhpati Didis.

To encourage private sector investment to scale up research and innovation significantly in sunrise domains a corpus of Rs. 1 lakh crore will be established with fifty-year interest free loan. The corpus will provide long-term financing or refinancing with long tenors and low or nil interest rates. For strengthening the deep-tech technologies for defense purpose a new scheme will be launched.

The capex target for the next year has been set at Rs. 11,11,111 crores an increase of 11.1% accounting for 3.4% of GDP.

Three major economic railway corridor programmes will be implemented. These are: energy, mineral and cement corridors, port connectivity corridors, and high traffic density corridors. The projects have been identified under the PM Gati Shakti for enabling multi-modal connectivity. They will improve logistics efficiency and reduce cost. Forty thousand normal rail bogies will be converted to the Vande Bharat standards to enhance safety, convenience and comfort of passengers.

Expansion of existing airports and development of new airports will continue expeditiously. Expansion of Metro Rail and NaMo Bharat will be supported in large cities focusing on transit-oriented development.

Towards achieving the target of net zero by 2070, viability gap funding will be provided for harnessing offshore wind energy potential for initial capacity of one giga-watt, Coal gasification and liquefaction capacity of 100 MT will be set up by 2030, Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes will be mandated and Financial assistance will be provided for procurement of biomass aggregation machinery to support collection.

E-vehicle ecosystem will be expanded and strengthen by supporting manufacturing and charging infrastructure. Greater adoption of e-buses for public transport networks.

A new scheme for bio-manufacturing and bio-foundry will be launched This will provide environment friendly alternatives such as biodegradable polymers, bio-plastics, bio-pharmaceuticals and bio-agri-inputs.

A scheme for restoration and adaptation measures, and coastal aquaculture and mariculture with integrated and multi-sectoral approach will be launched to promote blue economy 2.0.

Long term financing facility will be made available for state to take up comprehensive development of iconic tourist centres, branding and marketing them at global scale. Tourism, including spiritual tourism, has tremendous opportunities for local entrepreneurship. Projects for port connectivity, tourism infrastructure, and amenities will be taken up on islands, including Lakshadweep. This will help in generating employment also.

The FDI inflow during 2014-23 was USD 596 billion marking a golden era. Average processing time of returns has been reduced from 93 days in the year 2013-14 to a mere ten days this year, thereby making refunds faster.

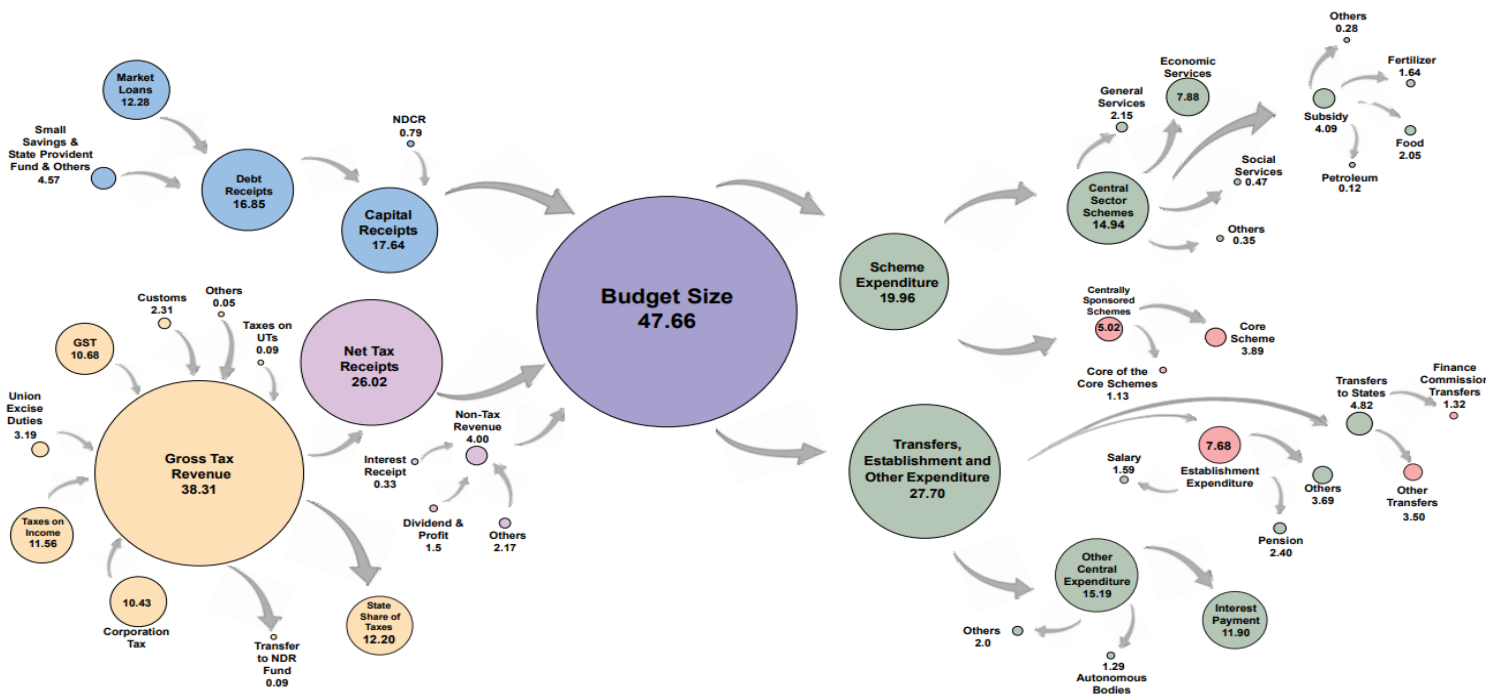
Attention will be given towards empowering eastern region. GIFT IFSC is a robust gateway for global capital and financial services for the economy

Sectors and Stocks expected to benefit from the budget

Since this was an interim budget no major announcements were made. The budget gave out many plans to achieve its long term goal targets of net zero emission by 2070 and Viksit Bharat by 2047 The major sectors that are going to benefit from this budget are housing finance, infrastructure, green energy, railway infrastructure, fertilizer, tourism etc. Companies like HUDCO, Coromandel International, Madras Fertilizers, Zuari Agro, Chambal Fertilizers, National Fertilizers, Godrej Agro, PIIND, Bayer Crop, KSCL, Venkeys, Agritech, TWL, Jupiter Wagon, BEML, BHEL, Borosil Renewables, Tata Power, Adani green, Waaree Renewables Ltd, S&W Solar, CONCOR, L&T, Suzlon, Olectra Green, JBM Auto, Inoxwind, Thomas Cook, TFCIL, Praveg, ITDC, Avanti Feeds, Apex Frozen. No major announcement was made towards banking sector besides the statement to strength the financial sector sector in terms of size, capacity, skills and regulatory framework.

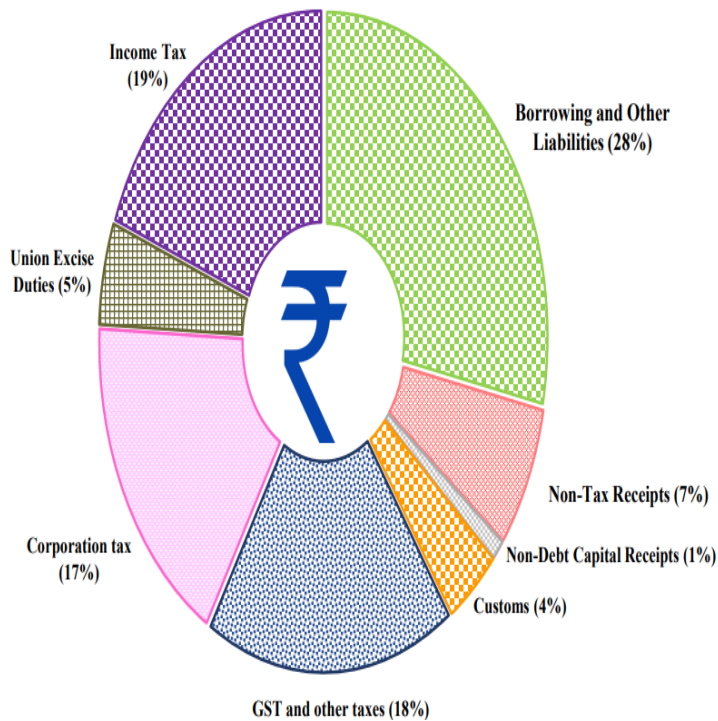
(₹ लाख करोड़ में)
(In ₹ lakh crore)

बजट की रूपरेखा BUDGET PROFILE

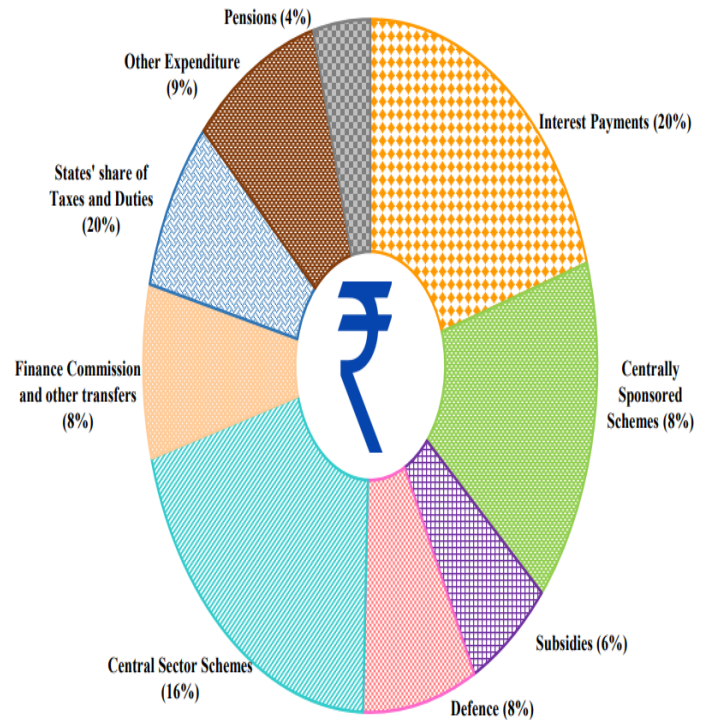




Rupee Comes From



Rupee Goes To



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

Conclusion

In conclusion, the Budget in spite of being an interim budget gives lots of confidence about the overall future growth in the economy at the same time keeping the fiscal deficit and the inflation under check.

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