

Summary of Interim Budget 2024-25

About the Budget:

The budget is the government's financial plan detailing taxes, spending, and economic policies for a specific period, typically a year. It outlines revenue sources, expenditure priorities, and strategies to manage the economy, including taxation, spending, and economic goals.

- According to Article 112 of Indian Constitution, the Union Budget is referred to as the Annual Financial Statement (AFS).

- Article 112: The President shall in respect of every financial year cause to be laid before both the Houses of Parliament a statement of the estimated receipts and expenditure of the Government of India for that year, in this part referred to as the annual financial statement.

- According to Article 77(3), the Union Finance Minister has been made responsible by the President to prepare the budget also called as the annual financial statement, and pilot it through the parliament.

- Nodal body: Budget Division of the Department of Economic Affairs (Finance Ministry)

- There is no direct role of the RBI in the Union Budget. However, inputs from the RBI relating to macroeconomic parameters are critical in shaping fiscal policies and measures incorporated in the budget.

- RBI Governor finalises and announces the report on the fiscal position which helps finance ministry to draft the budget and later RBI also reviews the budget and accordingly frames monetary policies.

An **Interim Budget** is introduced by a government during a transitional phase or its final year before general elections. Its aim is to maintain the flow of government spending and essential services until the incoming government can present a comprehensive budget after assuming office. As part of Interim budget, the Parliament passes a vote-on-account.

- Vote-on-account : According to Article 116 of the Constitution, a vote-on-account represents an advance payment to the government from the Consolidated Fund of India, for meeting immediate expenditure requirements

The Union Budget is divided into two main components:

1. **Revenue Budget:** This includes the government's revenue receipts and expenditures. Revenue receipts encompass both tax and non-tax revenues earned by the government, such as income tax, GST, customs duties, dividends, interest, etc. On the other hand, revenue expenditures cover day-to-day expenses and recurring costs like salaries, subsidies, interest payments, and maintenance expenses.
2. **Capital Budget:** The Capital Budget comprises the government's capital receipts and payments. Capital receipts are funds raised by the government through borrowings, disinvestment, and other capital sources. Capital payments involve investments made by the government in infrastructure projects, acquisitions of assets, loans, and other capital expenditures aimed at enhancing productive capacity and long-term growth.

The presentation of the budget in India follows a structured process and involves key components:

1. **Annual Financial Statement:** The President of India presents the annual financial statement before both Houses of Parliament. This statement outlines the government's revenue and expenditure estimates for the upcoming financial year.
2. **Budget Presentation by the Union Finance Minister:** The Union Finance Minister presents the budget in Parliament. The budget is divided into two parts: Part A and Part B.
 - **Part A:** This section of the budget focuses on the macroeconomic aspects and policy priorities of the government. It includes announcements of various schemes, policies, and allocations to different sectors such as agriculture, education, healthcare, infrastructure, etc. Part A sets out the broad economic vision and fiscal policies of the government for the upcoming year.
 - **Part B:** Part B of the budget primarily deals with the Finance Bill. The Finance Bill contains proposals related to taxation, including revisions to income tax rates, customs duties, excise duties, and other indirect taxes. This section outlines the government's revenue-raising measures and tax policies for the financial year.
3. **Major budget documents:** Apart from the Finance Minister's Budget Speech, following documents are presented to Parliament:
 - Annual Financial Statement (under Article 112) ,
 - Demands for Grants (under Article 113),
 - Finance Bill (under article 110)
 - Fiscal Policy Statements mandated under FRBM Act –
Macro-Economic Framework Statement.
Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement





Part- A (macroeconomic aspects and policy priorities of the government)

Vision: Prosperous Bharat in harmony with nature, modern infrastructure and opportunities for all.



Development Mantra of Budget: Sabka Saath, Sabka Vikas, and Sabka Vishwas' whole of nation' approach of 'Sabka Prayas'.

4 Focus Areas

Garib (Poor)	Mahilayein (Women)	Yuva (Youth)	Annadata (Farmer)
			

Achievements in Focus Areas

1. Garib Kalyan, Desh ka Kalyan

- Direct Benefit Transfer (DBT) resulted in savings amounting to ₹2.7 lakh crore.
- **25 crore individuals transitioned out of multidimensional poverty through Garib Kalyan, Desh ka Kalyan initiatives.**
- DBT contributed to savings totalling ₹2.7 lakh crore.
- Provision of credit assistance extended to 78 lakh street vendors under the PM-SVANidhi scheme.
- PM-JANMAN Yojana reaches out to the particularly vulnerable tribal groups, who have remained outside the realm of development so far.
- PM-Vishwakarma Yojana provides end-to-end support to artisans and craftspeople engaged in 18 trades.

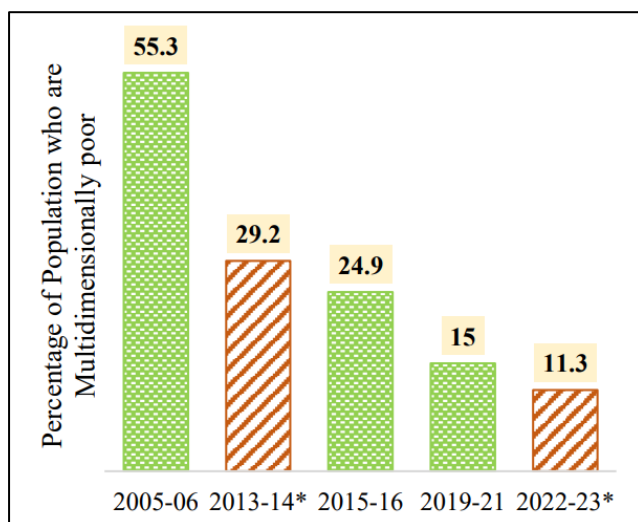


Figure 1: Decline in Head Count Ratio of Multi deimensionally poor

2. Empowering the Youth

- 1.4 crore youths received training as part of the Skill India Mission.
- PM Mudra Yojana sanctioned 43 crore loans, fostering entrepreneurial aspirations among the youth.

- Increase in PM SHRI (Schools for Rising India) which was introduced in 2023-24.
- The highest ever medal tally in Asian Games and Asian Para Games in 2023

3. Welfare of Farmers – Annadata

- PM-KISAN provided direct financial aid to 11.8 crore farmers.
- PM Fasal Bima Yojana offered crop insurance to 4 crore farmers.
- Integration of 1,361 mandis into eNAM (e National Agricultural Market) facilitated trading worth ₹ 3 lakh crore.

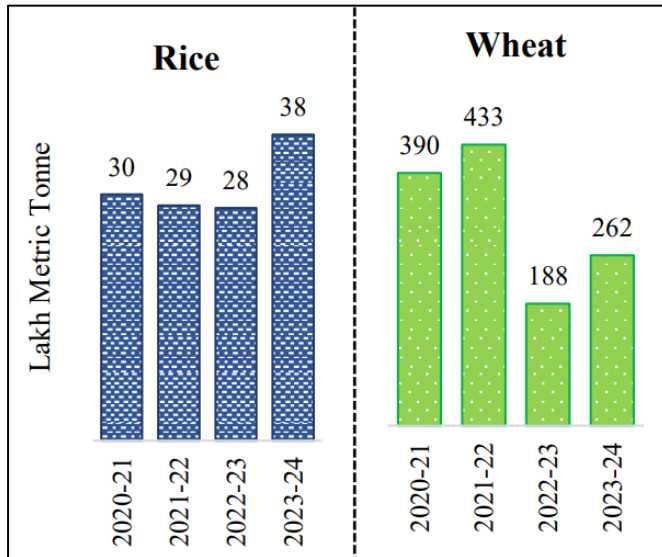


Figure 2: Increasing Procurement of Wheat and Rice

4. Nari Shakti -Women Empowerment

- Women entrepreneurs received 30 crore loans under the Mudra Yojana.
- Female enrolment in higher education rose by 28 percent over a decade.
- STEM courses witnessed 43 percent female enrolment.
- 83 lakh Self-Help Groups assisted 1 crore women to become Lakhpati Didis.
- Making 'Triple Talaq' illegal
- reservation of one-third seats for women in the Lok Sabha and State legislative assemblies
- giving over seventy per cent houses under PM Awas Yojana in rural areas to women as sole or joint owners

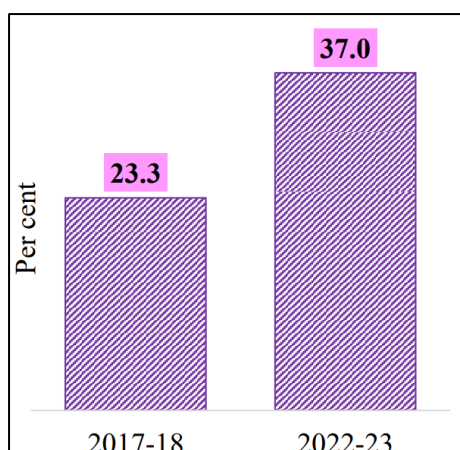


Figure 3: Rise in Female Labour Force Participation Rate

Strategy for Amrit Kaal

1. Sustainable Development

The initiatives and achievements mentioned reflect a comprehensive approach toward achieving sustainability and reducing carbon emissions in various sectors:

1. **Commitment to Net Zero by 2070:** This long-term goal signals a commitment to significantly reduce greenhouse gas emissions and transition to renewable energy sources.
2. **Viability Gap Funding for Wind Energy Projects:** This initiative aims to promote investment in wind energy infrastructure by bridging the financial gap between project costs and revenue expectations.
3. **Establishment of Coal Gasification and Liquefaction Capacity:** This effort focuses on transforming coal into cleaner forms of energy such as synthetic gas and liquid fuels, potentially reducing carbon emissions from traditional coal-based energy production.
4. **Mandatory Blending of CNG, PNG, and Compressed Biogas:** Mandating the blending of cleaner fuels like Compressed Natural Gas (CNG), Piped Natural Gas (PNG), and compressed biogas helps reduce reliance on fossil fuels and promotes the use of renewable energy sources.
5. **Financial Aid for Biomass Aggregation Machinery:** Supporting the procurement of biomass aggregation machinery encourages the efficient collection and utilization of biomass for energy generation, contributing to renewable energy targets.
6. **Rooftop Solarization Initiative:** Providing households with free electricity through rooftop solar panels promotes renewable energy adoption at the grassroots level, reducing dependency on traditional grid-based electricity.
7. **Integration of E-Buses and Support for E-Vehicle Ecosystem:** Introducing electric buses into public transport networks and supporting the development of e-vehicle infrastructure accelerates the transition toward electric mobility, reducing emissions from transportation.
8. **Biomanufacturing and Bio-Foundry Scheme:** This initiative promotes the development and adoption of eco-friendly alternatives through biotechnology, fostering sustainable practices in manufacturing and production processes.
9. **Achievements in LPG Distribution and LED Bulb Installation:** Distributing LPG connections under the Pradhan Mantri Ujjwala Yojana (PMUY) and promoting energy-efficient lighting

through LED bulbs and street lights contribute to energy conservation and emissions reduction efforts.

- 10 crore LPG connections released under PMUY.
- 36.9 crore LED bulbs, 72.2 lakh LED Tube lights, and 23.6 lakh Energy efficient fans distributed under UJALA .
- 1.3 crore LED Street Lights installed under SNLP.

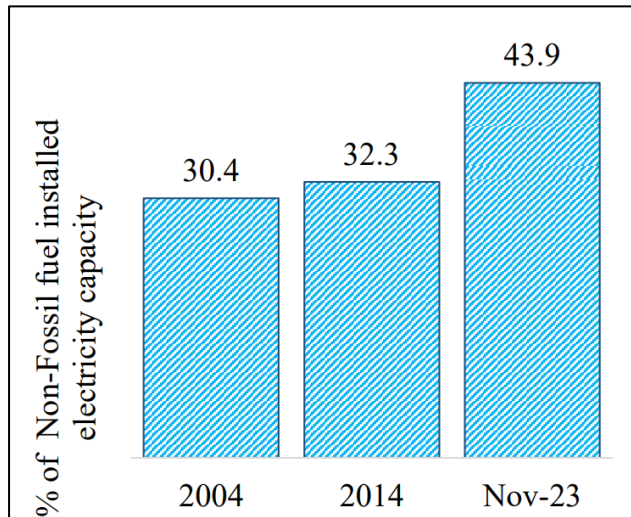


Figure 4: Percent increase in non fossil fuel electricity capacity

2. Infrastructure and Investment

1. **Railway Corridor Programs:** The government is implementing three major railway corridor programs under the PM Gati Shakti initiative. These programs aim to improve logistics efficiency, reduce transportation costs, and enhance connectivity across the country.
2. **Foreign Investment Promotion:** Efforts are underway to promote foreign investment through bilateral investment treaties. These treaties facilitate investment flows between India and other countries, fostering economic growth and development.
3. **Airport Expansion and UDAN Scheme:** There's a focus on expanding existing airports and developing new ones under the UDAN (Ude Desh ka Aam Nagrik) scheme. This initiative aims to enhance regional connectivity and make air travel more accessible to citizens across the country.
4. **Urban Transformation:** urban transformation through initiatives like the Metro rail projects and the NaMo Bharat program. These efforts seek to improve urban infrastructure, address transportation challenges, and create sustainable and livable cities.

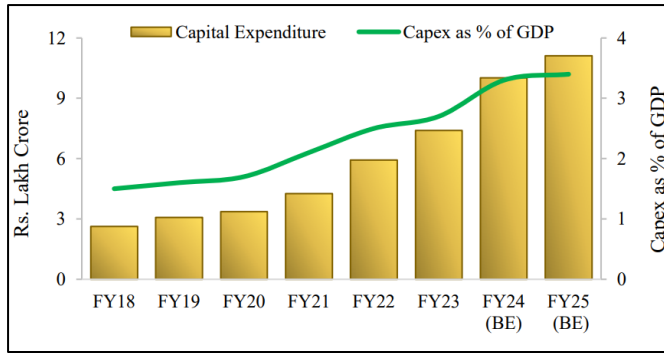


Figure 5: Increase in Capital Expenditure

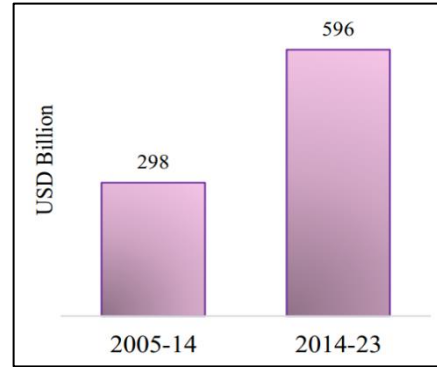


Figure 6: Doubling of FDI

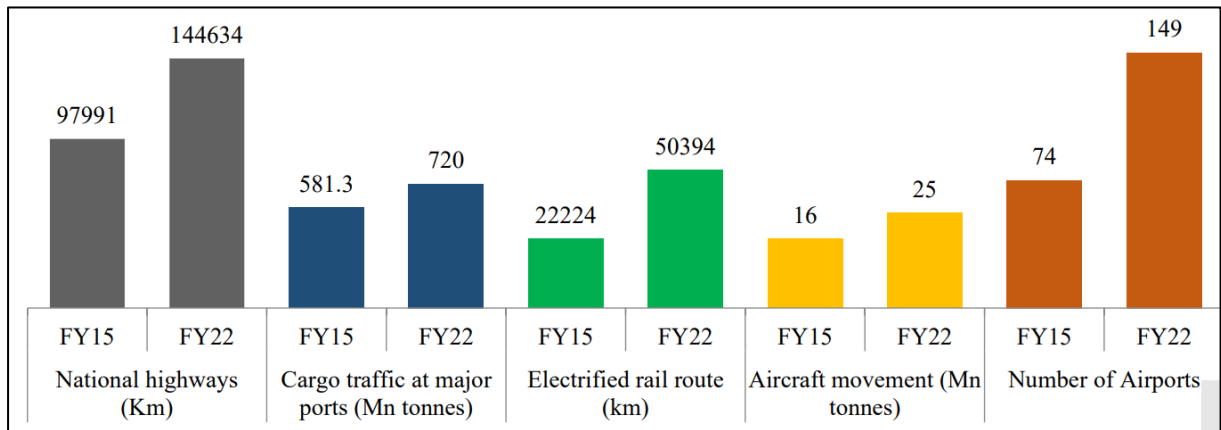


Figure 7: Improvement in Physical Infrastructure

3. Inclusive Development

Aspirational District Programme to assist States in faster development, including employment generation.

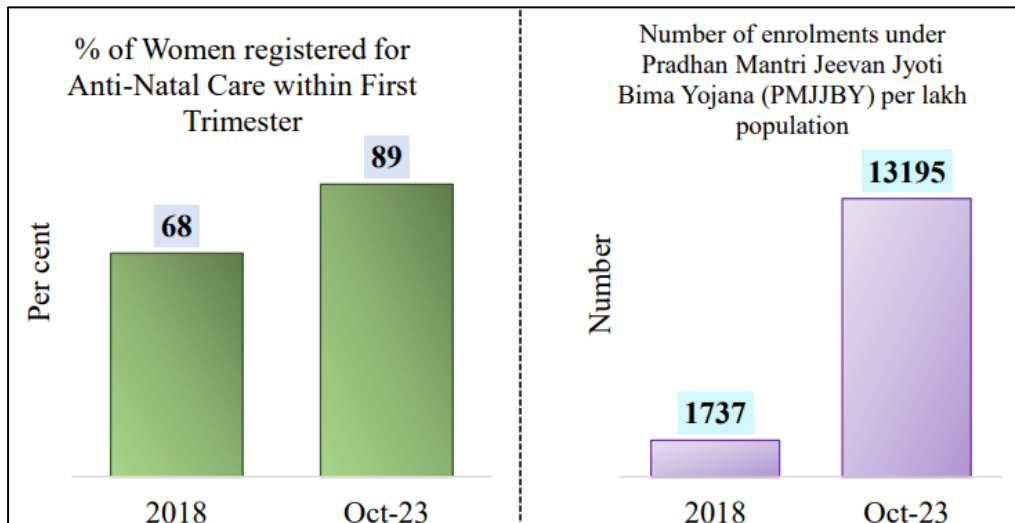


Figure 8: Inclusive Development in Aspirational Districts.

Health

- Encourage Cervical Cancer Vaccination for girls (9-14 years)

- Saksham Anganwadi and Poshan 2.0 to be expedited for improved nutrition delivery, early childhood care and development
- U-WIN platform for immunisation efforts of Mission Indradhanush to be rolled out
- Health cover under Ayushman Bharat scheme to be extended to all ASHA, Angawadi workers and helpers

Housing

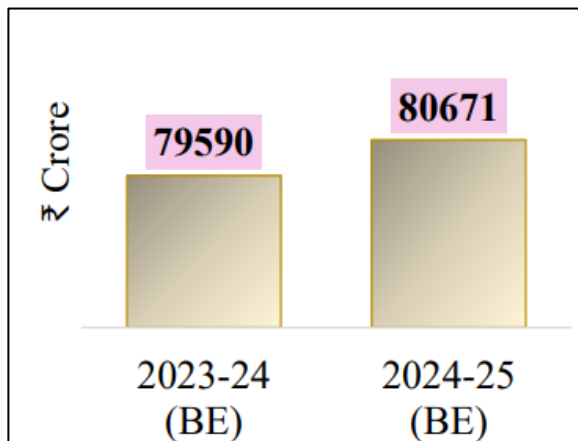


Figure 9: Increased allocation for PM Awas Yojana

- 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

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.

Agriculture and Food Processing

- Government will promote private and public investment in post-harvest activities
- Application of Nano-DAP to be expanded in all agro-climatic zones
- Atmanirbhar Oilseeds Abhiyaan-Strategy to be formulated to achieve atmanirbharta for oilseeds 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
- 5 Integrated Aquaparks to be set up.

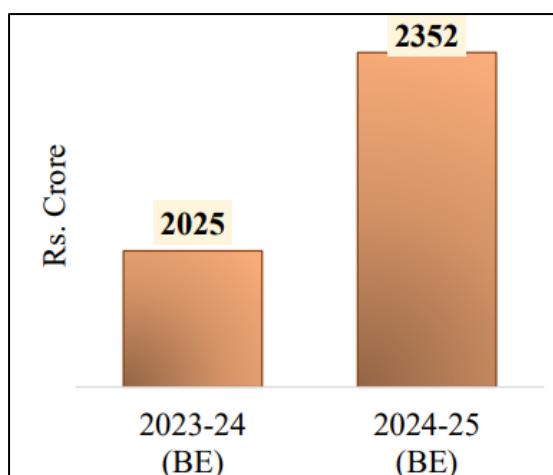


Figure 10: Increased allocation for Blue Revolution

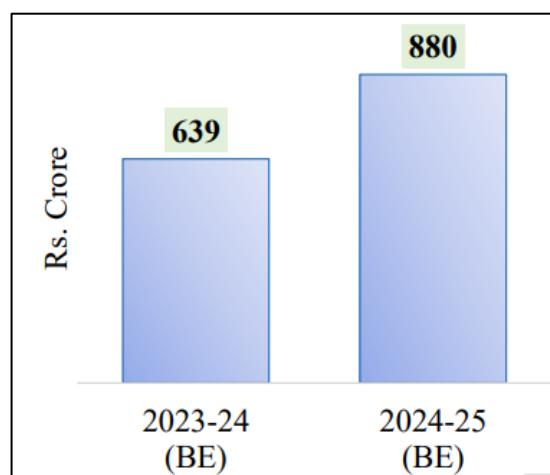


Figure 11: Increased allocation for PM Formalisation of Micro Food

Part B (Deals with direct/Indirect Tax)

Direct Taxes

1. Over the past decade, direct tax collections have more than tripled, and the number of return filers has increased by 2.4 times.
2. Tax rates have been reduced and rationalized. Under the new tax scheme, individuals with income up to ₹7 lakh have no tax liability, up from ₹2.2 lakh in FY 2013-14.
3. The threshold for presumptive taxation for retail businesses was raised from ₹2 crore to ₹3 crore, and for professionals, it increased from ₹50 lakh to ₹75 lakh.
4. Corporate tax rates were decreased from 30% to 22% for existing domestic companies and to 15% for certain new manufacturing companies.
5. In the past five years, the focus has been on improving taxpayer services. The jurisdiction-based assessment system was replaced with Faceless Assessment and Appeal, enhancing efficiency, transparency, and accountability.
6. Introduction of updated income tax returns, a new Form 26AS, and prefilling of tax returns have simplified the filing process.
7. The average processing time for returns has been reduced from 93 days in FY 2013-14 to just ten days, resulting in faster refunds.

Indirect Taxes

1. **Implementation of GST:**

- GST has unified India's previously fragmented indirect tax regime, reducing the compliance burden on trade and industry.
- According to a recent survey by a leading consulting firm, 94% of industry leaders view the transition to GST as largely positive.
- 80% of respondents noted supply chain optimization due to the elimination of tax arbitrage and octroi, resulting in the removal of check posts at state and city boundaries.
- The GST tax base has more than doubled, with average monthly gross GST collections reaching ₹1.66 lakh crore.
- States have also benefited, with a significant increase in State Goods and Services Tax (SGST) revenue buoyancy compared to pre-GST levels.
- Consumers have seen reduced prices for goods and services due to lower logistics costs and taxes.

2. Customs Facilitation:

- Several steps have been taken in Customs to facilitate international trade.
- as per the National Time Release Studies, Import release time has declined significantly by
 - 47% at Inland Container Depots.
 - 28% at air cargo complexes.
 - 27% at sea ports over the last four years since 2019

Tax Proposals

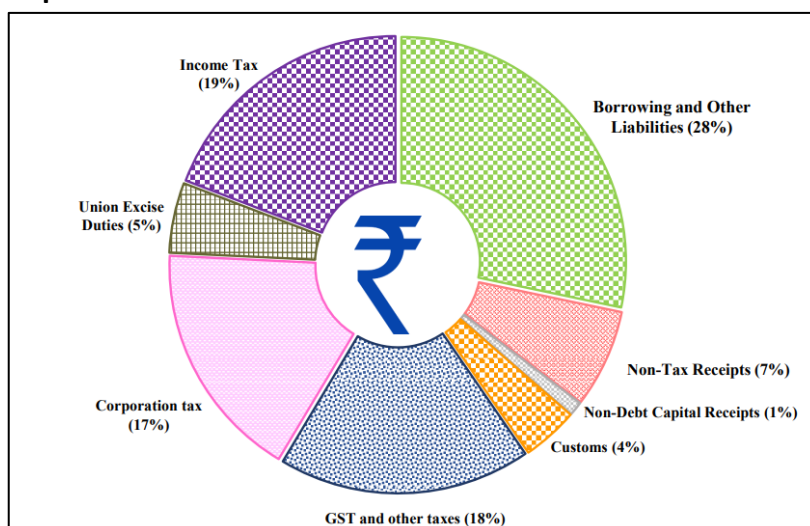
1. Continuation of Tax Benefits:

- Tax benefits for start-ups and investments made by sovereign wealth funds/pension funds, as well as tax exemptions for certain IFSC (International Financial Services Centre) units, have been extended until 31.03.2025.

2. Withdrawal of Outstanding Direct Tax Demands:

- Outstanding direct tax demands will be withdrawn for:
 - Up to ₹25,000 for demands pertaining to FY10 and earlier.
 - Up to ₹10,000 for demands related to FY11-FY15.
- This initiative is expected to benefit approximately 1 crore taxpayers.

Rupee Comes From



Rupee goes to

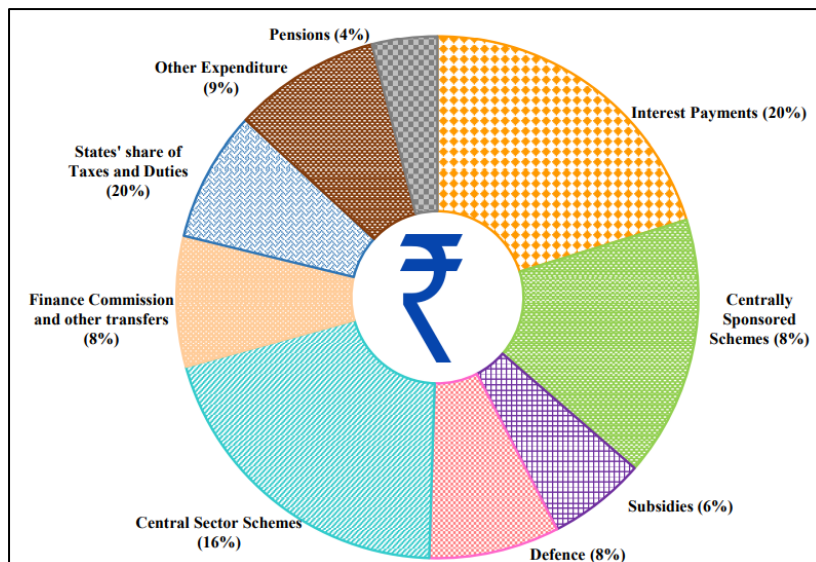


Table 1: Allocation for Specific Ministries

S.no	Ministries	in ₹ Lakh Crore
1	Ministry of Defence	6.2
2	Ministry of Road Transport and Highways	2.78
3	Ministry of Railways	2.55
4	Ministry of Consumer Affairs, Food & Public Distribution	2.13
5	Ministry of Home Affairs	2.03
6	Ministry of Rural Development	1.77
7	Ministry of Chemicals and Fertilizers	1.68
8	Ministry of Communications	1.37
9	Ministry of Agriculture and Farmer's Welfare	1.27

Budget Keypoints

- Capital Expenditure Increase:** The capital expenditure outlay for 2024-2025 sees a significant 11.1% increase, reaching Rs 11,11,111 crore, which constitutes 3.4% of the GDP.
- Economic Growth Projections:**
 - Real GDP growth for FY 2023-24 is projected at 7.3%, aligning with the revised growth projection by the Reserve Bank of India.

- The International Monetary Fund upgraded India's growth projection to 6.3% for FY 2023-24 and anticipates India becoming the third-largest economy by 2027.
- **Revenue and Expenditure Estimates (2024-25):**
 - Total Receipts are estimated at Rs 30.80 lakh crore, excluding borrowings.
 - Total Expenditure is projected at Rs 47.66 lakh crore.
 - Tax Receipts are estimated at Rs 26.02 lakh crore.
 - GST Collections reached ₹1.65 lakh crore in December 2023, surpassing the ₹1.6 lakh crore benchmark for the seventh time.
- **Fiscal Deficit and Market Borrowing:**
 - **Fiscal deficit** is estimated at 5.1% of GDP in 2024-25, aligning with the goal of reducing it below 4.5% by 2025-26 (as announced in budget 2021-22).
 - Gross and net market borrowings through dated securities in 2024-25 are estimated at Rs 14.13 and 11.75 lakh crore, respectively.

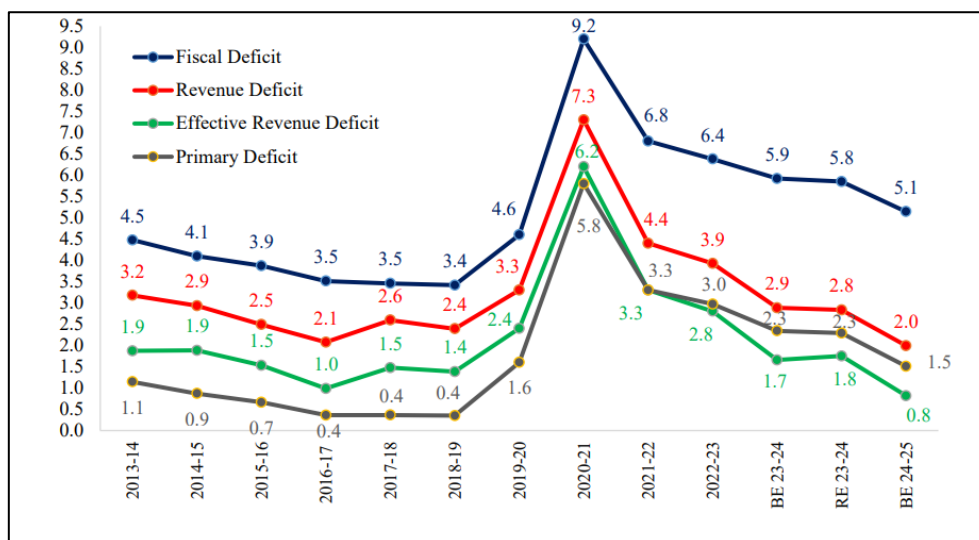


Figure 14: Deficit Trends

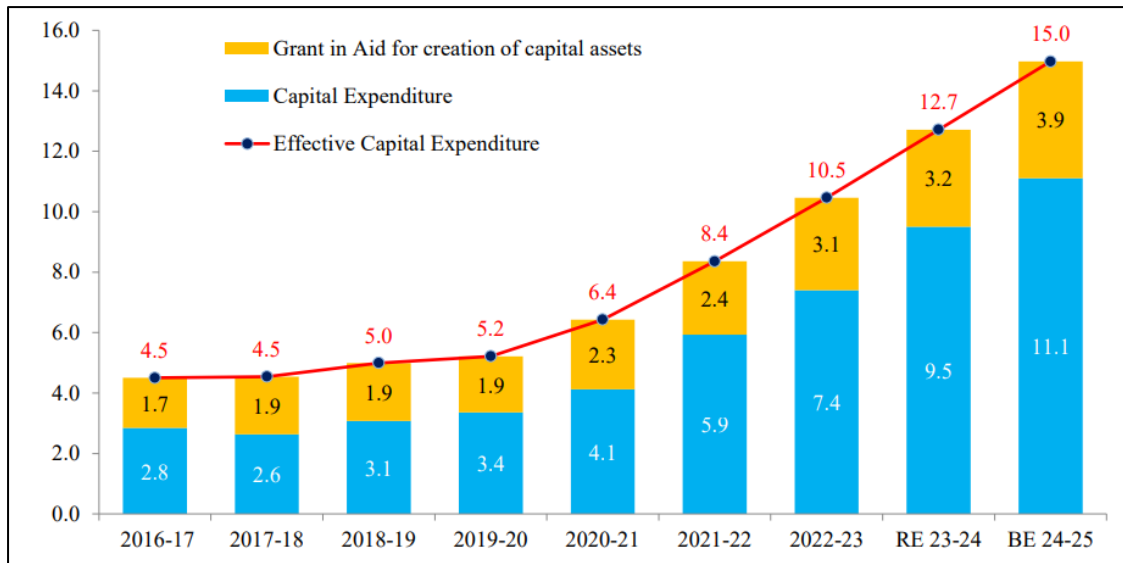


Figure 15: Trends in Capital Expenditure