



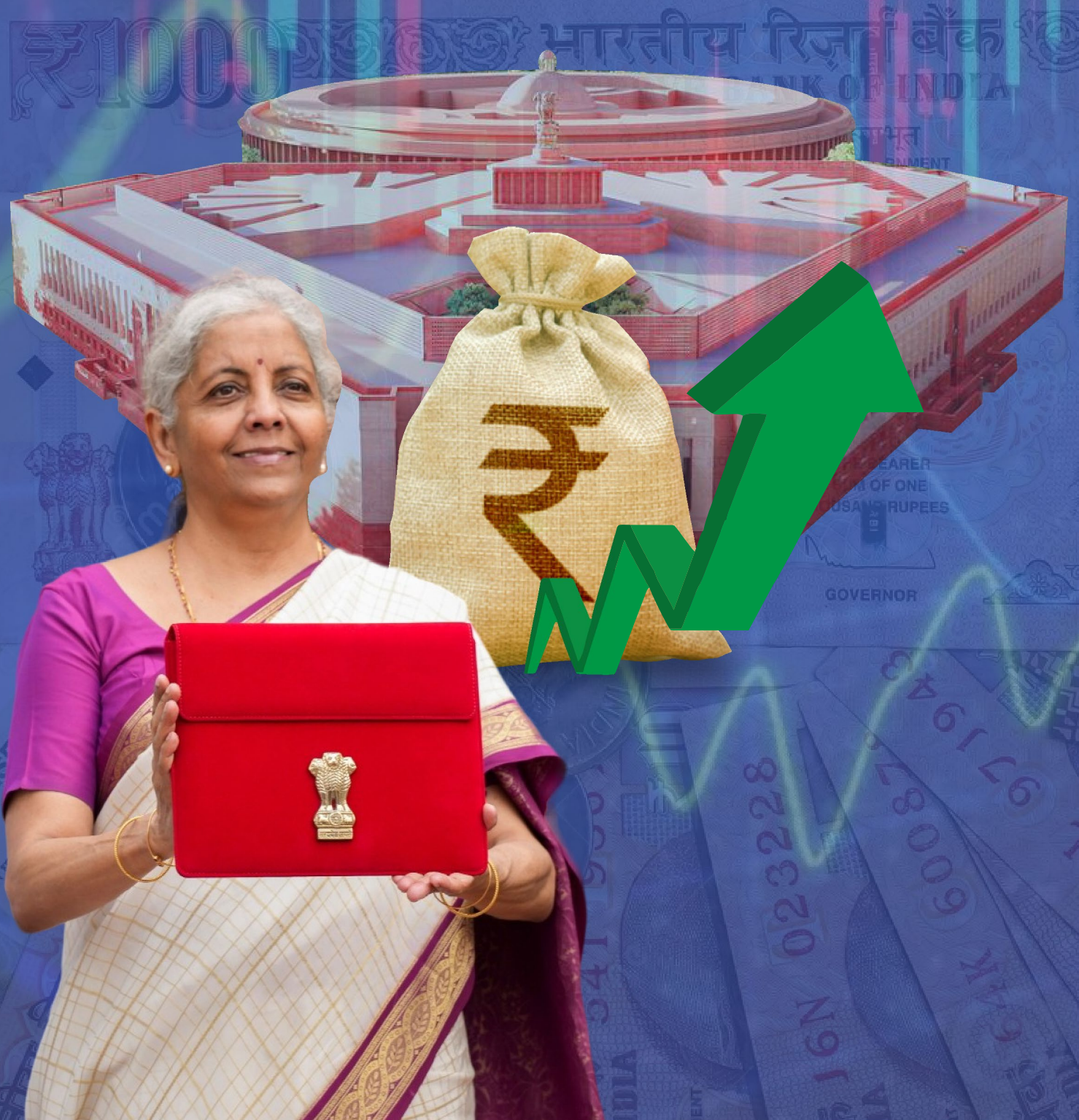
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A Pantomath Group Company

Union

# Budget 2024-25

Review



## Union Budget 2024-25 Review

The people have given a unique opportunity to the government to take the country on the path of strong development and all-round prosperity. In the interim budget, The Government promised to present a detailed roadmap for our pursuit of 'Viksit Bharat'. In line with the strategy set out in the interim budget, this budget envisages sustained efforts on the following 9 priorities for generating ample opportunities for all. Subsequent budgets will build on these, and add more priorities and actions. This budget details some of the specific actions to be initiated in the current year towards fulfilment of these priorities with potential for transformative changes. The budget also covers some of the previously made announcements with an intent to strengthen them and step up their implementation for expediting our journey towards the goal of Viksit Bharat.

### Budget Estimates (INR Cr)

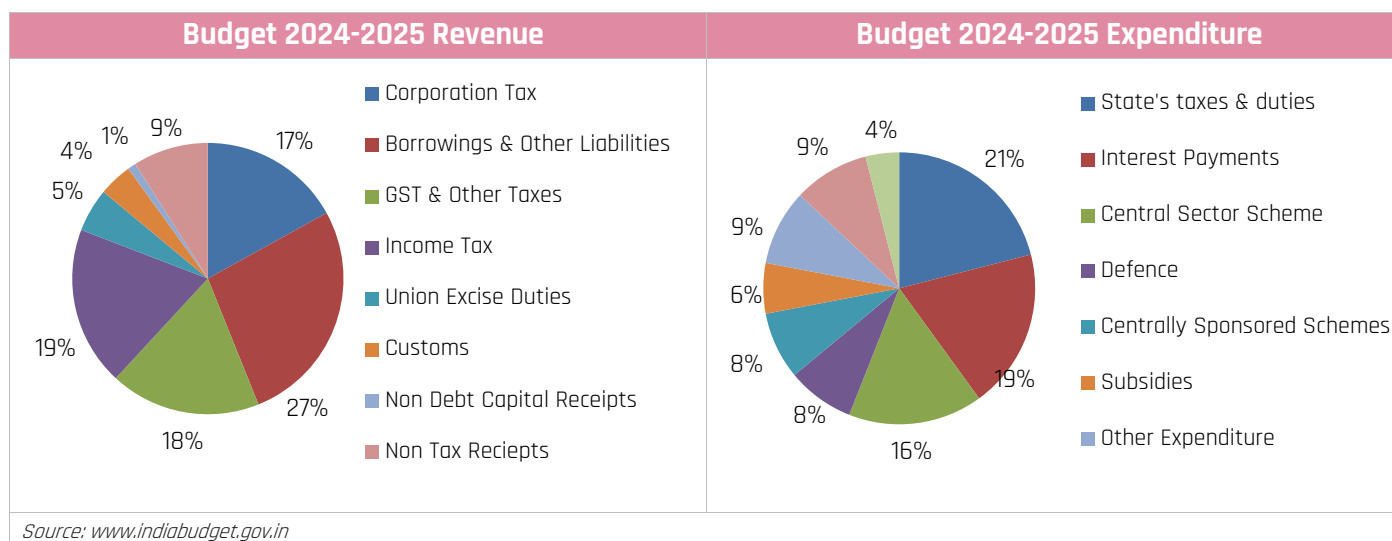
Particulars	RE 2023-2024	*PA 2023-2024	BE 2024-2025
Revenue Receipts	2699713	2728412	3129200
Capital Receipts	1790773	1714130	1691312
Total Receipts	4490486	4442542	4820512
Revenue Expenditure	3540239	3494036	3709401
Capital Expenditure	950246	948506	1111111
Total Expenditure	4490485	4442542	4820512
Fiscal Deficit	1734772	1653670	1613312
Fiscal Deficit (% of GDP)	5.8	5.6	4.9

*Note: \*Provisional Actuals*  
*Source: www.indiabudget.gov.in*

### Major Sector Expenditure (INR Cr)

Sectors	BE 2023-2024	RE 2023-2024	BE 2024-2025
Agriculture & Allied Activities	144214	140533	151851
Education	116417	108878	125638
Health	88956	79221	89287
Rural Development	238204	238984	265808
Social Welfare	55080	46741	56501
Defence	432720	455897	454773
Home Affairs	134917	133360	150983
IT & Telecom	93478	95781	116342
Energy	94915	54989	68769
Commerce & Industry	48169	47350	47559

*Source: www.indiabudget.gov.in*





The budget envisages sustained efforts on the following 9 priorities for generating ample opportunities for all which are:

1. Productivity and resilience in Agriculture
2. Employment & Skilling
3. Inclusive Human Resource Development and Social Justice
4. Manufacturing & Services
5. Urban Development
6. Energy Security
7. Infrastructure
8. Innovation, Research & Development and
9. Next Generation Reforms

### Sector Highlights of Union Budget 2024-25

#### Agriculture

- The government will undertake a comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties.
- 10,000 need-based bio-input resource centres will be established.
- In the next two years, 1 crore farmers across the country will be initiated into natural farming supported by certification and branding.
- Financial support for setting up a network of Nucleus Breeding Centres for Shrimp Broodstocks will be provided. Financing for shrimp farming, processing and export will be facilitated through NABARD.
- The Government made a provision of Rs 1.52 lakh crore for agriculture and allied sector.
- The Government in partnership with states, will facilitate the implementation of the Digital Public Infrastructure (DPI) in agriculture for coverage of farmers and their lands in 3 years.
- Promote water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects.

**(Positive for Agrochemicals, Animal Feed, FMCG & Fertilizers)**

#### Manufacturing and Services

This government has provided special attention to MSMEs and labour-intensive manufacturing. A comprehensive package has been formulated, covering financing, regulatory changes, and technology support, to help MSMEs grow and compete globally are stated below:

- Credit Guarantee Scheme for MSMEs in the Manufacturing Sector.
- Enhanced scope for mandatory onboarding in TReDS.
- MSME Units for Food Irradiation, Quality & Safety Testing.
- New assessment model for MSME credit.
- Mudra Loans: The limit enhanced to Rs 20 lakh from the current Rs 10 lakh under the 'Tarun' category.
- Credit Support to MSMEs during Stress Period.
- Twelve industrial parks under the National Industrial Corridor Development Programme.
- Rental housing with dormitory type accommodation for industrial workers in PPP mode with VGF support.
- Critical Minerals Mission for domestic production, recycling and overseas acquisition.
- Strengthening of the tribunal and appellate tribunals to speed up insolvency resolution and additional tribunals to be established.
- Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years. Allowance of Rs 5,000 per month along with a one-time assistance of Rs 6,000 through the CSR funds.

**(Positive for Capital Goods, Engineering, Banks & NBFCs)**

### Housing

The Government has proposed various urban developments to boost the housing sector such as:

- Encouraging states to lower stamp duties for properties purchased by women.
- Envisioning a scheme to develop 100 weekly 'haats' or street food hubs in select cities.
- Transit Oriented Development plans for 14 large cities with a population above 30 lakh.
- Promote water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects.
- Under PM Awas Yojana, Urban 2.0 Needs of 1 crore urban poor and middle-class families will be addressed with an investment of Rs 10 lakh crore.
- Enabling policies and regulations for efficient and transparent rental housing markets with enhanced availability will also be put in place.

**(Positive for Real Estate, Building Material & Construction equipment, Cement, Banks)**

### Energy

The Government continues to provide various policy measure for promoting green mobility & energy sector:

- The PM Surya Ghar Muft Bijli Yojana has been launched to install rooftop solar plants, providing 1 crore households with up to 300 units of free electricity each month. The scheme has seen over 1.28 crore registrations and 14 lakh applications, and further encouragement is planned.
- Promoting Private sector in Nuclear Energy.
- Setting up Bharat Small Reactors along with R&D and newer technologies for nuclear energy.
- Pumped Storage Policy which is for electricity storage and facilitation of smooth integration of the growing share of renewable energy.
- A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial Advanced Ultra Super Critical Thermal Power plant.
- Financial support for shifting of micro and small industries to cleaner forms of energy. It will facilitate investment grade energy audit in 60 clusters, next phase expands to 100 clusters.

**(Positive for Power, Renewable energy, Bank & NBFCs)**

### Infrastructure

- The Central Government allocates Rs 11,11,111 crore for infrastructure, 3.4% of GDP, boosting the economy.
- Rs 1.5 lakh crore in long-term interest-free loans to encourage state infrastructure investment.
- Promoted through viability gap funding, enabling policies, and a market-based financing framework.
- Phase IV of PMGSY (Pradhan Mantri Gram Sadak Yojana) will be launched to provide all weather connectivity to 25,000 rural habitations.

**(Positive for Infrastructure, Construction, EPC players)**

### Tourism

- Development of Vishnupad Temple Corridor and Mahabodhi Temple Corridor modelled on Kashi Vishwanath Temple Corridor.
- Comprehensive development initiative for Rajgir will be undertaken which holds religious significance for Hindus, Buddhists and Jains.
- The development of Nalanda as a tourist centre besides reviving Nalanda University to its glorious stature.
- Assistance to development of Odisha's scenic beauty, temples, monuments, craftsmanship, wildlife sanctuaries, natural landscapes and pristine beaches making it an ultimate tourism destination.

**(Positive for Hotels & Hospitality services)**

### 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	2.23
Home Affairs	2.19
Rural Development	1.80
Chemicals and Fertilizers	1.68
Communications	1.37
Agriculture and Farmer's Welfare	1.32

Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in)

### Other Key Announcement

- Fiscal Deficit to remain 4.9% & 4.5% of GDP for FY2024-25 and FY2025-26 respectively.
- The gross and net market borrowings through dated securities during 2024-25 are estimated at Rs 14.01 lakh crore and Rs 11.63 lakh crore respectively. Both will be less than that in 2023-24.
- The government has provided financial support for projects with estimated cost of Rs 11,500 crore such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes.
- Assistance for flood management and related projects in Assam, Sikkim & Uttarakhand.
- Assistance for reconstruction and rehabilitation in Himachal Pradesh.
- The Government Simplified to facilitate FDIs and promote opportunities for using Indian Rupee as a currency for overseas investments.
- Enhancing the availability of capital for climate adaptation and mitigation related investment.
- Land records in urban areas will be digitized with GIS mapping. Unique Land Parcel Identification Number or Bhuaadhaar for all lands.
- Operationalization of the Anusandhan National Research Fund for basic research and prototype development.
- Private sector-driven research and innovation at commercial scale with a financing pool of Rs 1 lakh crore.
- Space Economy; A venture capital fund of Rs 1,000 crore is to be set up.

### Allocation to Major Schemes (in Rs. Cr.)

Schemes	2023-24(BE)	2024-25(BE)
Mahatma Gandhi National Rural Employment Guarantee Scheme	60000	86000
Research and Development Project	840	1200
Nuclear Power Projects	442	2228
PLI for Pharmaceutical Industry	1200	2143
Development of Semiconductors and Display Manufacturing	3000	6903
Direct Benefit Transfer- LPG	180	1500
Lines of Credit under IDEA Scheme	1300	3849
Solar Power (Grid)	4970	10000

Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in)

### Tax structure

The Government made a Comprehensive review of the indirect Tax rate structure for ease of trade, removal of duty inversion and reduction of disputes. The proposals for customs duties intend to support domestic manufacturing, deepen local value addition, promote export competitiveness, and simplify taxation, while keeping the interest of the general public and consumers surmount.

#### Indirect Tax

- Fully exempt 3 more cancer medicines from custom duties.
- Reduce the BCD on mobile phone, mobile PCBA and mobile charger to 15%. **(Positive for EMS)**
- Reduce custom duty on gold and silver to 6% and platinum to 6.4%.
- Reduce BCD on shrimp and fish feed to 5%. **(Positive for Animal Feed)**
- Exempted more capital goods for manufacturing of solar cells & panels. **(Positive for Power)**
- Fully exempt custom duties on 25 critical minerals.
- List of exempted goods for manufacture of leather and textile garments, footwear and other leather articles for export. **(Positive for Textile)**
- Remove the BCD on ferro nickel and blister copper and also continuing with nil BCD on ferrous scrap and nickel cathode and concessional BCD of 2.5% on copper scrap.
- Remove the BCD, subject to conditions, on oxygen free copper for manufacture of resistors and also propose to exempt certain parts for manufacture of connectors.
- Increase the BCD on PVC flex banners from 10% to 25% to curb its imports which is hazardous for environment and health.
- Increase the BCD on ammonium nitrate from 7.5% to 10% to support existing and new capacities in the pipeline.
- Increase the BCD from 10% to 15% on PCBA of specified telecom equipment to incentivise domestic manufacturing. **(Positive for Telecom Equipment Manufacturing player)**

The Government came out with certain Direct Tax Proposals with an objective to reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens.

#### Direct Tax

- Short term gains on certain financial assets to attract 20% tax rate, while that on all other financial assets and all non-financial assets shall continue to attract the applicable tax rate.
- Long term gains on all financial an non-financial assets to attract a tax rate of 12.5% with increase in limit of exemption of capital gains on financial assets to Rs 1.25 lakh per year.
- Security Transactions Tax on futures and options of securities is proposed to be increased to 0.02 per cent and 0.1 per cent respectively.
- Simpler tax regime to operate domestic cruise.
- Provide for safe harbour rates for foreign mining companies (Selling raw diamonds).
- Corporate tax rate on foreign companies reduced from 40% to 35%.
- Propose to tax income received on buy back of shares in the hands of the recipient.
- Abolish ANGEL tax for all classes of investors.
- Standard Deduction for salaried employees increased from Rs 50,000 to Rs 75,000 for new tax Regime
- Deduction on family pension for pensioners increased from Rs 15,000 to Rs 25,000.
- In the new tax regime, the tax rate structure is proposed to be revised, as follows, As a result of these changes, a salaried employee in the new tax regime stands to save up to Rs 17,500/- in income tax.

Income Slabs	Tax Rate
0-3 lakh rupees	Nil
3-7 lakh rupees	5%
7-10 lakh rupees	10%
10-12 lakh rupees	15%
12-15 lakh rupees	20%
Above 15 lakh rupees	30%

Source: [www.indiabudget.gov.in](http://www.indiabudget.gov.in)

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