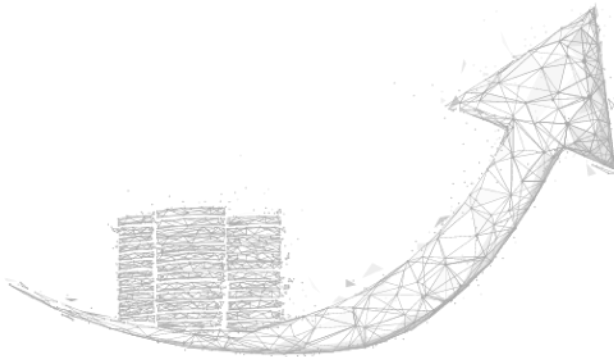


₹ UNION Budget

2024 - 2025

JULY 2024





About Primus Partners

Primus Partners stands as a prominent Indian management consulting firm, firmly grounded in the ethos of 'India First'. Established by seasoned industry leaders with extensive experience in global organizations, Primus Partners boasts a team of close to 300 consultants and advisors, showcasing some of the finest talent in the nation. Within the Primus Partners umbrella, Primus Research consistently seeks opportunities for primary research, providing clients in both the public and private sectors with a perspective deeply rooted in comprehensive research and insights.

With six offices strategically located across India, the firm enjoys a pan-India presence and successfully executes projects in over five countries.

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Nilaya Varma

Co-Founder &
Chief Executive Officer
Primus Partners

Transition Ahead: Do we have the institutional capacity to make this change fast enough?

As FM, Nirmala Sitharaman, rose to present her seventh Annual Budget, one was struck by how aware she was on the core issue with the economy – jobs! Well-paying jobs, that really have no short-term solution, but need alignment with investment and support to MSME, Skilling and Education. These sectors, alongside Agriculture, have received significant attention in her budget.

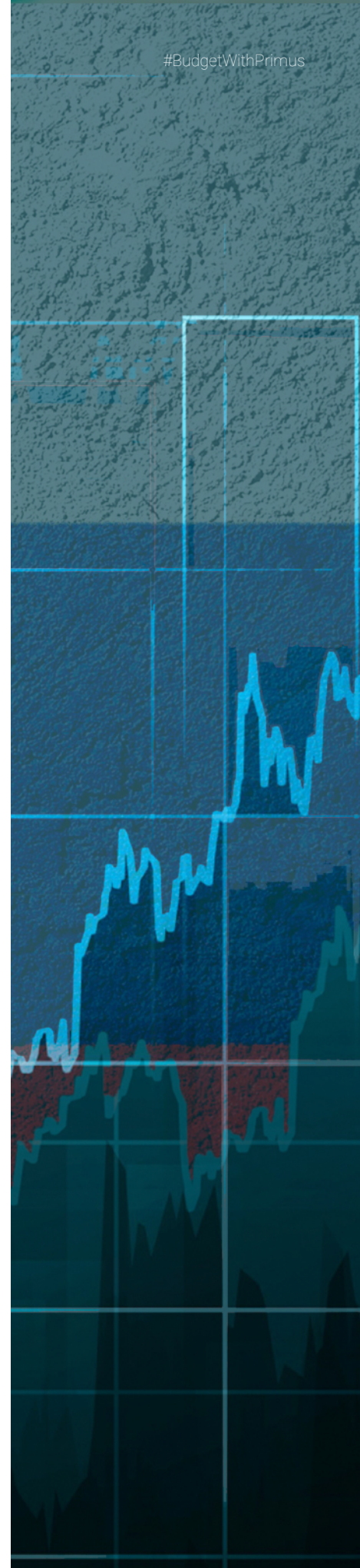
With robust revenue collections and ample fiscal space, the Budget underscores the coalition government's commitment to addressing diverse interests, particularly in light of upcoming elections in key states and the outsized influence of AP and Bihar in this coalition government, obvious in the announcement that was made but firmly rooted in allocating money for capital assets. True to expectations, the Budget reaffirms the anticipated shift towards a creative economy driven by the private sector and job creation.

This year's Budget places a strong emphasis on job creation and skill development, marking a significant step towards a more dynamic and resilient economy. By introducing new schemes and increasing allocations for education and training, the government demonstrated a clear commitment to tackling unemployment and fostering growth. The focus on internships, upskilling, and apprenticeship programs aims to translate investment into tangible job opportunities. Embracing a technology-driven creative economy, the Budget highlights the need for advanced skills and innovation, supported by advancements in space, technology, and R&D. This aligns with the transition to DigiEducation, where education and skills are seen as the same sides of the coin. Additionally, the Budget's support for the MSME sector supports India's aim to be a global manufacturing hub through enhanced capital access and technology adoption.

The Budget reflects a transformative vision for the country. It prioritises progress from clean energy to energy security and from rural development to peri-urban and brownfield projects. The shift from traditional agriculture to climate-resilient practices and the move from siloed to integrated digital systems underscore a forward-looking approach. Emphasising welfare for women, children, youth, the middle class, and marginalised communities, the Budget addresses both immediate and long-term needs. It aims to make skilling demand-driven, advance market-driven agriculture, tackle the rental housing market, and improve rural infrastructure.

Success in these areas will depend on the public sector's ability to realise these ambitions and the crucial collaboration with the private sector and global funds to ensure sustainable growth.

Our Budget report delivers a thorough analysis of key sectors, mapping out budget allocations and examining their implications for future policy. By integrating perspectives from diverse experts and stakeholders, the report offers a well-rounded view of how current policies and decisions will likely shape future developments, ensuring a comprehensive understanding of their broader impact on the economy.





Atanu Chakraborty

Chairman HDFC Bank &
Former Secretary of
Department of Economic
Affairs, Gol

Balancing Immediate Political Needs with Long-Term Governance Goals

The first Budget of NDA 3.0 reflects lessons learned from the recent electoral process and the imperatives of leading a coalition government with heavyweight partners. Representing the mandate of the world's largest democracy, it aptly fits as the largest budget, resonating with global dynamics. Large beneficiary-oriented expenditures have been mandated, enabled by the government's capability to make direct payments into beneficiaries' accounts. This inclusive approach ensures that every section of society receives targeted benefits.

This budget has targeted various demographics, including the poor, women, youth, farmers, and MSMEs. Notable examples include the expansion of the PM Awas Yojana Urban 2.0, with an investment of Rs 10 lakh crore, increase in the limit of MUDRA loans to Rs 20 lakh from the current Rs 10 lakh under the TARUN category, support to the skilling ecosystem by revision of Model Skill Loan scheme to facilitate loans up to Rs 7.5 lakh. Top five hundred companies have been mandated to train a large number of youngsters with the government paying up to Rs. 5000 per month.

Predictably there is an emphasis on MSMEs and lending, supported by a credit guarantee scheme. However, one is disturbed by a sentence in the speech that regular credit norms would not be followed. One hopes that this does not become a free for all, especially in the Public Sector banks. While lowering of the TReDS limit is welcome, but use of Credit Guarantee for SMA loans may not be a great idea. It may have its fiscal impact.

Elevation of PMAY target for affordable housing was expected. However, announcement of rental housing on a dormitory basis for workers and providing VGF for it is a forward-looking step. One hopes that builders and fund providers will take up on this challenge. This could be a game changer.

“Purvodaya” has been an interesting initiative to provide funding for Bihar and Andhra Pradesh, though Bengal and Odisha are also part of it, however lion share of allocation has gone to two major NDA partners. That reflects imperatives of running a coalition. However, the positive side of this is that most of the allocation is for Capital projects.

The budget also continued the capital expenditure push of recent years, the government has kept it to INR 11.11 lakh crore, maintaining interim Budget allocations. This enhanced investment highlights a commitment to bolstering infrastructure and building a resilient and future-ready economy.

For a Budget that was meant to be for every section, major reforms were not expected. However, Capital gains tax reform will have to be seen in its fine print, as to whether it hurts the middle class that owns most of the legacy properties. However, the abolition of Angel Tax is welcome and should help start-ups.

Now, looking at the balance of the budget, the windfall dividend from RBI will help chart the course for fiscal deficit. However, a question hangs on whether a fiscal deficit of 4.5% could be achieved in FY26. The budget assumes a nominal growth of 10.5%. That assumes high growth and low inflation.

Let us say Amen to that.





Tarun Bajaj

Former Secretary,
Economic Affairs &
Revenue, GoI

India's Budget 2024: Navigating Global Turmoil with Confidence & Progress

Budget 2024 focuses on supporting the youth and middle class, creating jobs, boosting MSMEs and manufacturing. It rides on the wave of strong economic growth and robust revenues, aiming to drive the nation towards greater prosperity and development.

India's growing economy, despite a difficult international climate, is indicative of the country's rising economic prowess. The nine priorities of the government including focus on employment, inclusive human resources development and infrastructure, will go a long way in navigating India to its goal of becoming 'Viksit Bharat'.

The Budget has ensured robust support for education, agriculture, employment and healthcare initiatives, fostering a more inclusive and sustainable future. The budget has also ensured that the fiscal deficit at 4.9% of GDP is kept even below the figure of 5.1% mentioned in the interim budget in February. The focus on Capital expenditure has also been maintained, along with the capital gains tax system which has also been rationalized by changing the rates and duration of holding for financial assets. Changes in the customs and direct taxation laws will strengthen India's economic ties with other countries and increase business accessibility, rationalize transaction costs, and streamline tax rates and tariffs. The carefully drafted changes to tax policies, including the changes in the capital tax regime are going to have a positive impact on the economy, notwithstanding a slight increase in capital gains tax in certain areas.

The Budget has increased the allocations for interest-free loans to states for capital expenditure, enabling states to spend more on infrastructure and reform measures.

Furthermore, INR 11.11 lakh Crore towards capital expenditure amounts to 3.4% of the GDP which only a few years ago was less than 2%. If one were to account for Grants in Aid to States for capital expenditure a very healthy 31% of the total expenditure of the Central Government goes to capital expenditure.

This is what has improved infrastructure in the country and sustained a very healthy economic growth. The allocation of 1.5 lakh crore in interest-free loans on a long-term basis to the States is expected to encourage infrastructure investment by the States thereby propelling growth and employment generation. Furthermore, abolition of the Angel Tax and expansion of tax-slabs for payment of personal income tax is a big positive in the budget. Reduction of tax rate on foreign companies established as branches of their parent abroad from 40% to 35% is also fulfilment of a long pending demand.

The emphasis on women empowerment by allocating more than 3 lakh Crore focusing on setting up of women specific skilling programs and collaboration with state governments and setting up of women hostels is a welcome move as it will facilitate higher participation of women in the workforce. In addition, the organising women- specific skilling programmes and promote market access for women SHG enterprises will create viable opportunities for their sustenance and livelihood.

Furthermore, the Budget has been noteworthy in including several opportunities in skill development and employment generation for the youth through strategic initiatives. A provision of 1.48 lakh crore has been made specifically for education, skilling and employment. Five schemes have been announced by the government to focus on 4.1 crore youth over five years, with an outlay of INR 2 lakh crore. In addition to this, the government has benchmarked internship programs for the youth at 500 top corporates. Credit guarantee for MSMEs up to INR 100 Crore and increase of MUDRA Yojana loans to INR 20 Lakh will give a significant boost to the MSME sector. To emphasize further on inclusive development, housing needs of nearly 1 crore urban poor and middle-class families have been made part of the budget. The budget also includes positive measures to address inclusive development and social welfare by setting aside INR 2.66 lakh crore for rural development and incorporation of the National Co-operative Policy.

India has maintained a progressive outlook despite the global turmoil and slowing growth. The current policies, along with significant expenditures in public infrastructure, have strengthened the country's defences against both internal and external challenges, guaranteeing steady advancement. All things considered, Budget 2024 is a progressive strategy that tackles important areas like healthcare, jobs, and skill development and will eventually move the country closer to its goal of becoming 'Viksit Bharat' by 2047.





Dr. Bhagwat Kishanrao Karad

Member Of Parliament
(Rajya Sabha - BJP) and
Former Minister of State,
Ministry of Finance, GoI

A Vision for a Viksit Bharat Focused on Social Equity and Inclusive Growth, Aiming for a \$4 Trillion Economy by 2025



The Union Budget 2024-25 encapsulates the transformative vision of a Viksit Bharat (Developed India), setting the stage for future years focused on social equity. This focus on the underserved, women, youth and farmers is a vital step in the Amrit Kaal, reaffirming the government's commitment to people-centric and inclusive development. The Budget's robust capital expenditure aims to propel Bharat towards a \$4 trillion economy by 2025. The potential for cooperative federalism is bolstered with a significant investment in rural and state development. This future-oriented budget will serve to foster enhanced technological independence, bolster green energy initiatives, enhance education opportunities and healthcare provisions.

Social welfare strides have lifted millions out of poverty, evidenced by substantial DBT transfers, farmer support, and expanded social safety nets. The Budget successfully balances social justice with economic growth. This holistic approach underpins Bharat's journey towards inclusive prosperity, embodying principles of Saptarishi articulated in the Union Budget 2023-24. The impassioned support for the aforementioned vulnerable groups is ratified by the budget prioritising agriculture, employment, skilling, and social justice, among others.

The push for rural development through an allocation of INR 2.66 lakh crore, in conjunction with various schemes under other priority areas for upliftment of rural populations will significantly deliver for enhancing last-mile accessibility and meaningful development.

The critical drive for skilling of youth and women, further supported by enabling employment opportunities promises to sustain Bharat's growth trajectory. The vision to bolster the schemes such as PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India, supporting the economic development of indigenous and marginalised social groups will pave the way for their inclusion and add a fresh chapter in India's remarkable growth story.

The nation is steadfastly emerging as a global economic powerhouse, this vision resonates strongly, promising a future where Aatmanirbhar Bharat coexists harmoniously within the global community. I truly commend the government and the ministers for this progressive and forward-thinking Budget.



**Amit Kalyani**

Vice Chairman & Jt. MD

Bharat Forge Ltd.

Manufacturing at the Forefront: Union Budget 2024-25's Strategic Focus

I would term this a smart budget that focuses on strengthening the foundational pillars of the economy targeted toward sustained domestic growth.

Aligned with the government's intent to position India as a Global manufacturing hub, while the focus on MSMEs remains, the employment-linked incentives are aimed at giving a major boost to labour-intensive manufacturing. Several industries including electronics assembly, textiles, leather, toys, and furniture among several others will be greatly benefitted.

In recognition of the importance of skilling and employment, the Indian Industry would welcome the comprehensive scheme for providing internship opportunities to 1 crore youth in 500 top companies. Not only would this provide students with real-life business exposure enhancing their employability but also go a long way in creating a skilled future workforce for the country.

The budget also gives a big thumbs up to Circularity and Sustainable manufacturing by incentivizing Eco-friendly practices.

The Critical Minerals Mission, roadmap for Small Modular Reactors, and targeted relaxations for the Maintenance, Repair & Overhaul of aircraft and Ships open up huge opportunities for these sectors in India.

A significant highlight is the operationalization of the Anusandhan National Research Fund, dedicated to basic research and prototype development. The scheme targeting large-scale private sector-driven R&D and commercialization is a transformative step.

I am hopeful that these much-needed initiatives will have a profound impact, driving advancements in technology and innovation. To maximize the impact of these initiatives, it is essential to establish Centres of Excellence and Centres of Efficiency. These centres will support the development of manufacturing clusters, fostering a collaborative environment that enhances value chain efficiency, scales operations effectively, and boosts global competitiveness.

Continuity in policies aimed at driving economic growth, social development, and sustainability is evident. This budget is set to be a catalyst for a manufacturing renaissance, crucial for realizing the vision of "Viksit Bharat" by 2047.





Dr. Charan Singh

CEO and Founder Director,
EGROW Foundation

Long-term Visionary Budget that will lead to Sustainable Growth

The Union Budget announced today is a very important landmark in the history of public finance of India. It is the first Budget after the new government has been formed. The Budget has very clearly mentioned that the focus is on four different sections: Youth, Farmer, Women and poor people. And budget is focused on employment, skilling, MSMEs and middle class. The budget clearly indicates 9 priorities: agriculture; employment and skilling; social justice; manufacturing and services; urban development; energy security; infrastructure; innovation, research and development; and next-gen reforms.

The focus of budget is on employment generation, which is very important for economic growth. Further, emphasis is on skilling, self employment, middle class and MSMEs.

The Government has also discussed about infrastructure, which has multiplier effect as it leads to growth for numerous years. Thus, it is obvious that the government is not only thinking of short and medium term but also of inter-generational growth. We probably are the only country in the world who are thinking 25 years ahead.

The Central Government continues to follow Fiscal consolidation with Gross Fiscal Deficit strictly on the glide path. The quality of expenditure is also improving with higher allocation to infrastructure development. The Government has also announced a vision document for financial sector that will probably provide a way forward.

To conclude, this is a long-term visionary budget that will lead to sustainable growth.



Dr. Fauzia Khan

Member of Parliament
(Rajya Sabha - NCP(SP))

Evaluating the Effectiveness and Inclusivity of Budget 2024-25

The Budget 2024-25 presents a broad vision for inclusive development. The nine priorities of the government, which include its focus on employment, skilling, and inclusive human resource development, are noteworthy, but there is room for more targeted benefits for women, especially those from marginalised sections.

The financial support for higher education, capped at INR 10 lakh, represents a significant investment. However, expanding this support to include targeted scholarships or grants for women could ensure more equitable access to educational opportunities. Additionally, the initiative to offer internships in 500 top companies, aimed at benefiting 1 crore youth, could be augmented by developing specific programs to facilitate women's entry into sectors where they are underrepresented.

The revision of the Model Skill Loan Scheme to assist 25,000 students annually is a positive step, yet integrating gender-sensitive criteria and additional support mechanisms for women could enhance its effectiveness. The INR 2 lakh crore, under the PM Package, earmarked for employment and skilling schemes is substantial. Building on this, ensuring that existing women-specific skilling programs are effectively meeting their objectives could further improve women's workforce participation. However, it remains unclear what specific skilling programs will be implemented and whether they will effectively empower women. It is important to ascertain whether these programs are designed to create greater representation for women in underrepresented sectors or to increase their presence in already overrepresented fields.



To promote women-led development, the budget allocates over INR 3 lakh crore. It includes provisions for establishing working women's hostels, creating creches, and enhancing market access for women Self-Help Group (SHG) enterprises. However, the lack of updates on other anticipated programs, such as Lakhpati Didi, raises concerns about the implementation and perceived impact of these initiatives. This mirrors the uncertainty seen with the Mahila Samman Savings Certificate, which also faces a lack of subsequent updates.

Currently, the female workforce in India contributes to only 17% of the GDP, significantly below the global average. However, the Budget does not address critical areas such as financial inclusion for women, or the support needed for women-led MSMEs and startups. These gaps are significant given their potential impact on promoting economic participation and growth. The absence of dedicated measures for these aspects highlights a need for a more comprehensive approach to truly achieve inclusive economic development.

The Budget also touches on healthcare access by exempting cancer drugs from customs duty. However, this measure might be insufficient given the current difficulties in accessing healthcare. The challenges of importing and distributing these drugs remain significant amid projections of a cancer burden reaching 29.8 million by 2025. Moreover, women often face additional barriers in accessing these resources, making the provision even more critical.

Overall, while the Budget 2024-2025 introduces key measures in skilling, employment, and healthcare, as these initiatives unfold, their potential to advance women's empowerment and contribution to the nation's vision of a Viksit Bharat by 2047 depends upon their effective execution.





Daggumalla Prasada Rao

Member of Parliament
(Lok Sabha - TDP)

Empowering India: A Visionary Budget for a Viksit Bharat

The budget presented today showcases a remarkable feat by our honourable Finance Minister, was not only well articulated but also structured in a pragmatic fashion. The budget lays foundation for the welfare of farmers, youth, women, and the underserved as core tenets of the society. It aims to enhance employment opportunities, undertake critical upskilling, bolster the MSME ecosystem, and further support the middle class.

The government has developed a fitting response to the growing concerns of unemployment through visionary schemes, and prioritising future-ready human resource development through various state skilling institutes. Early job incentives coupled with employment reforms in the manufacturing sector are welcome steps in the same direction. Notably, the skilling initiative undertaken in collaboration with state governments and industry will benefit over 2 crore youth over the next 5 years.

MSMEs have traditionally been the backbone of the Indian Economy, employing nearly 62% of the population. Recognising this potential, the budget aims to capitalize on this growth to make India the Global MSME hub. Hence the budget's strength lies in its emphasis on social upliftment, particularly for the middle class, through tax reforms. The vision of a Viksit and Aatmanirbhar Bharat has resonated with strategic allocations for various schemes. Key provisions have been made for the benefit of farmers and agricultural R&D. The importance of cooperatives for local economies has been duly acknowledged as well. The budget's holistic approach and reforms aimed at supply-chain networks and bolstering the Blue Economy, specifically through technological integration, are crucial developments.

To help realize this vision, the capital outlay of INR 11.11 lakh Crore will empower the government to undertake infrastructure projects promoting equitable development across sectors, yet it falters in dedicated social security and welfare measures for women and other marginalized communities. This budget lays a promising foundation for actualizing the vision of a Viksit Bharat.

**Kamakhya Prasad Tasa**

Member of Parliament
(Lok Sabha - BJP)

Viksit Bharat's Budget: Investing in welfare programs for an equitable society

Looking at the 2024-25 Union Budget, it is evident that our nation is poised for significant strides in rural development, MSME growth, and employment generation. This budget is a testament to our government's unwavering commitment to inclusive development, encompassing our priority towards our Annadatas, and ensuring that every segment of our society reaps the benefits of our economic progress.

In rural development, the government has laid out a comprehensive plan to transform our agricultural sector, with a provision of INR 1.52 lakh crore. The release of high-yielding and climate-resilient crop varieties, alongside the promotion of natural farming for 1 crore farmers, aims to boost productivity while ensuring environmental sustainability. The establishment of dedicated bio-input resource centers will further support this green revolution. Large-scale clusters for vegetable production near major consumption centers will help streamline supply chains and enhance market access for farmers. Additionally, the announcement of INR 3 crore additional houses under the PM Awas Yojana for rural and urban areas is expected to ensure affordable housing for millions, transforming living standards and reducing the housing deficit substantially.

The emphasis on MSMEs is a priority for the government, reflected in the budget. The introduction of a credit guarantee scheme for MSMEs will facilitate term loans for machinery and equipment without collateral, empowering small businesses to expand and innovate. Public sector banks are set to build in-house capabilities for MSME credit assessment, ensuring more accurate and supportive financial evaluations.

A new mechanism will facilitate the continuation of bank credit to MSMEs during stress periods, preventing them from falling into the NPA stage. The enhancement of Mudra loans to INR 20 lakh and the expansion of SIDBI branches in MSME clusters will further boost the sector.

Employment generation and skilling form the backbone of this budget. The Employment Linked Incentive Scheme, which provides wage subsidies for new employees in the formal sector, is expected to benefit over 2 crore youth. The focus on job creation in manufacturing and comprehensive support for employers hiring additional workers will stimulate the job market significantly. Skilling initiatives, including the upgradation of 1,000 Industrial Training Institutes (ITIs) and new courses aligned with industry needs, aim to equip 20 lakh youth with essential skills over the next five years.

For the North-East, the budget allocates significant resources to expand banking services through India Post Payment Bank and provides INR 2.66 lakh crore for rural development, enhancing infrastructure and connectivity. The government's decision to provide dedicated assistance to Assam for flood management will significantly reduce the loss of livelihoods and property.

The government's commitment to women-led development is also commendable, with over INR 3 lakh crore allocated to schemes benefiting women and girls. This budget aims to empower women economically and create a more inclusive society.

The 2024 budget benchmarks itself as a forward-looking document that addresses the critical needs of our nation. It lays a solid foundation for sustained economic growth, enhanced social equity, and a resilient agricultural sector. As we implement these initiatives, we move closer to realising our vision of a prosperous and inclusive India.





Vinod Kumar
President,
India SME Forum

Budget 2024-25: Powering India's MSMEs for Development

The Budget 2024-25 signifies a transformative vision for India's economic future, with a significant focus on inclusive growth and the development of the MSME sector which forms the backbone of our economy and introduces a robust transformational package encompassing financing, regulatory changes, and technological support.

The introduction of a credit guarantee scheme for Manufacturing MSMEs looking to upgrading their technology and operations, facilitating term loans for machinery purchases without collaterals reaffirm the government's resolve to further MSME growth. Additionally, enhancing Mudra loan limits, along with the provisions for continued credit support during stress periods, guaranteed by a government fund, without the categorization as NPA, demonstrates a holistic approach to enhancing financial support for the MSME sector. Eliminating external credit ratings, lowering the turnover threshold for mandatory onboarding to the TReDS platform to enterprises with turnover exceeding INR 250 Crore, reducing TDS for e-commerce sellers, and implementing a host of changes in GST rules will significantly improve liquidity for smaller enterprises and unlock working capital more efficiently.

The focus on developing MSME plug and play industrial parks in 100 cities across the country clearly focuses on the need for clustered industrial infrastructure development enabling the vital infrastructure and ecosystems to support MSME growth. Setting up of food irradiation units, quality testing labs and e-commerce export hubs addresses quality standards and supports export readiness, opening local and international markets for Micro and Small Enterprises. The commitment to reducing compliance, introducing DPI applications for productivity gains, business opportunities, and innovation in e-commerce, credit, taxation, compliance and logistics align perfectly with a common vision for a more digitally empowered MSME sector.



This Budget will have a positive impact on fostering growth, innovation, and competitiveness among Indian MSMEs. The focus on creating a conducive environment for businesses to thrive, coupled with the government's commitment to social justice and inclusive human resource development, reflects a balanced approach to fostering economic resilience and prosperity. This budget is a testament to India's forward-looking economic strategy and its unwavering commitment to realizing the aspirations of all its citizens.



1

Budget Overview

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Economic Overview

India's macroeconomic scenario remains robust. There is a strong GDP growth rate of 8.2% for the fiscal year (FY24), up from 7.0% in FY23. This growth is driven by a Q4 resurgence in private consumption and capital expenditure, with growth in industrial and manufacturing sectors. The economic push is underpinned by good demographics and a focus on infrastructure and technological investments in semiconductors and advanced manufacturing. From now on, employment will remain a specific focus for economic policy actions.

Fiscal Deficit

The fiscal deficit is targeted at

4.9% 

Previous year's estimate

5.8%



Total Expenditure

The expenditure is targeted at

INR 48.20
Lakh Crore 

Previous year's estimate

INR 44.9 Lakh Crore





Total Revenue

#BudgetWithPrimus

Receipts (excluding borrowing) pegged at

INR 32.07

Lakh Crore



Previous year's estimate

INR 27.55

 Lakh Crore

Capital Expenditure

Capital expenditure pegged at

INR 11.11

Lakh Crore



Previous year's estimate

INR 9.5

 Lakh Crore

Tax Revenue

FY25 total tax receipts pegged at

INR 25.83

Lakh Crore



Previous year's estimate

INR 23.23

 Lakh Crore

Major Announcements

01



Overall Budget Estimates

- ★ Fiscal deficit is estimated at 4.9 per cent of GDP compared to 5.8 per cent in FY 2023-24.
- ★ For the year 2024-25, the total receipts and the total expenditure are estimated at INR 32.07 lakh crore and INR 48.21 lakh crore respectively.
- ★ The gross market borrowings through dated securities during FY 2024-25 are estimated at INR 14.01 lakh crore compared to 15.43 Lakh crore of FY 2023-24, reduction of 10.1 per cent.

Employment and Skilling

- ★ Three 'Employment Linked Incentive' schemes will be implemented focusing on formalization of employees through EPFO enrolment for first-time employees.
- ★ One month's wage will be provided to new formal sector workers via direct benefit transfer. First-time EPFO employees earning up to INR 1 lakh/month receive up to INR 15,000 in 3 instalments. Expected to benefit 210 lakh youth.
- ★ New manufacturing jobs will be incentivized for first-time employees by subsidizing EPFO contributions for the first 4 years. This is expected to benefit 30 lakh youth and their employers.
- ★ Employer-focused scheme will cover all sectors, counting additional employment within a INR 1 lakh/month salary. Government will reimburse employers up to INR 3,000/month for 2 years per new employee, incentivizing 50 lakh additional jobs.
- ★ A financial support for loans up to INR 10 lakh for higher education in domestic institutions will be provided.

02



MSMEs

- ★ A credit guarantee scheme will be introduced to facilitate term loans for MSMEs to purchase machinery and equipment without collateral or third-party guarantee.
- ★ Public sector banks will develop in-house capabilities to assess MSMEs for credit, eliminating the need for external assessments.
- ★ The Mudra loan limit will be increased to INR 20 lakh from INR 10 lakh for entrepreneurs who have successfully repaid previous loans under the 'Tarun' category.
- ★ Financial support will be provided for establishing 50 multi-product food irradiation units in the MSME sector.
- ★ SIDBI will open new branches within 3 years to serve all major MSME clusters and provide direct credit.

03



04



Manufacturing

- ★ Investment-ready “plug and play” industrial parks with full infrastructure will be developed in 100 cities.
- ★ Twelve industrial parks will be sanctioned under the National Industrial Corridor Development Programme.
- ★ PPP rental housing with dormitory-style accommodation for workers will be facilitated with VGF support and anchor industry commitments.
- ★ One crore youth will receive 12 months of internship exposure in 500 top companies, with a INR 5,000 monthly allowance and INR 6,000 one-time assistance.
- ★ An industrial node will be developed at Gaya under the Amritsar-Kolkata Industrial Corridor.

Agriculture

- ★ Digital Public Infrastructure will be implemented in agriculture to cover farmers and their lands within 3 years. Digital crop survey will be conducted in 400 districts.
- ★ An allocation of INR 1.52 lakh crore has been made for agriculture and allied sectors.

05



06



Urban

- ★ Under PM Awas Yojana Urban 2.0, INR 10 lakh crore will be invested to address the housing needs of 1 crore urban poor & middle-class families.
- ★ Transit Oriented Development plans will be developed for 14 major cities with populations over 30 lakh.
- ★ Urban land records will be digitized and mapped using GIS technology.

Energy

- ★ Government will collaborate with the private sector on:
 - ▶ Establishing Bharat Small Reactors
 - ▶ Research and development of Bharat Small Modular Reactors
 - ▶ Research and development of new nuclear energy technologies

07



08



Space

- ★ Continued emphasis on expanding the space economy by 5 times in the next 10 years, a venture capital fund of INR 1,000 crore will be set up.

09



Infrastructure

- ★ INR 11.11 lakh crore allocated for infrastructure capital expenditure, 3.4% of India's GDP.
- ★ INR 1.5 lakh crore provided for long-term interest-free loans to support state resource allocation.
 - Development of 5 road projects like Patna-Purnea Expressway, Buxar-Bhagalpur Expressway etc. for total cost of INR 26,000 crore.
- ★ Power projects including a new 2400 MW plant at Pirpainti, costing INR 21,400 crore.
- ★ New airports, medical colleges, and sports infrastructure will be constructed in Bihar.
- ★ Financial support of INR 11,500 crore will be provided for projects like the Kosi-Mechi link and 20 other schemes, including barrages & irrigation.

Tourism

- ★ Development of Vishnupad and Mahabodhi Temple Corridors will be supported to transform them into world-class destinations, modelled after Kashi Vishwanath Temple Corridor.
- ★ A comprehensive development initiative for Rajgir will be undertaken.

10



11



Direct Taxes

- ★ Short term gains on certain financial assets like delivery based short term non speculative instruments shall henceforth attract a tax rate of 20 per cent.
- ★ Long term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5 per cent.
- ★ Under the new tax regime, the standard deduction for salaried employees is proposed to be increased from INR 50,000/- to INR 75,000/-.
- ★ Similarly, deduction on family pension for pensioners is proposed to be enhanced from INR 15,000/- to INR 25,000/-
- ★ There is an increase in threshold of tax slabs for personal income tax.

Indirect Taxes

- ★ BCD reduced for medicine and medical equipment, mobile phone and related parts, 25 critical minerals, select marine products, methylene diphenyl diisocyanate (MDI) for manufacture of spandex yarn, precious metals etc.
- ★ Increase in BCD on ammonium nitrate, PVC flex banners, select telecom equipment etc.
- ★ Security Transaction Tax (STT) on futures and options of securities increased to 0.02 and 0.01 per cent respectively.

12



Sector Snapshot



Education

Being one of the nine priority areas for the government, budget gives push to skilling and employment through creation of Industrial Training Institutes, provision for Education Loans, Model Skill Loan Scheme, etc.



Aerospace & Defence

Increased allocation for R&D and Air Force, aircraft & aero engines, naval dockyards projects, incentives for domestic industries will provide a fillip to indigenization efforts.



Agriculture

Reduction in BCD and credit duty exemption, implementation of DPI along with impetus given to research and technology, with an enabling policy ecosystem align well to enhance agricultural & allied sectors productivity, and boost farmer incomes.



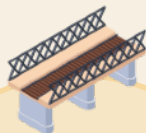
Automotive and Mobility

FAME III likely to be announced post-budget, measures like the ELI scheme to support employment generation and tax reductions could positively impact segments like two-wheelers.



Banking & Financial Services

Key actions include improving MSME services, restructuring capital gains tax, simplifying FDI regulations, and promoting Indian Rupee for overseas investments.



Infrastructure

Impetus given through long term interest free loans for states, launch of PMGSY phase IV, increased VGF to promote private investment, plug & play industrial park infrastructure development and 12 new industrial parks; development of industrial node at Gaya etc.



Healthcare

Focus on development of Digital Public Infrastructure (DPI) to improve accessibility and promote private innovation; increase in health research budget to develop R&D capacities. Health security of Tribal communities are being centred under PMJUGA scheme.





Direct & Indirect Tax

Rationalisation of GST regime, reduced custom duties across sectors to augment domestic manufacturing, increase in STCG and LTCG taxes, sunset on the angel tax, and widening of bands in new tax regime.

MSMEs

Increasing access to credit for MSMEs, raise in credit limit for Mudra Loans and support for stressed enterprises through a government promoted fund and enhancement of in-house capabilities to assess MSMEs by public sector banks for credit assessment.

Pharmaceuticals

Exemption of customs duty and changes proposed in BCD on medicines and medical equipment respectively; increased allocation for PLI in pharma sector, increased outlay for biotech and private sector driven R&D imply a net positive impact.

Energy & Climate

Partnership with private sector to develop Bharat Small Reactors, conduct R&D on Bharat Small Modular Reactors, exemptions for capital goods & essential minerals used in nuclear and renewable energy sectors.

Housing & Real Estate

Marquee scheme PMAY 2.0 focuses to create 3 crore houses, rental housing policies in PPP with VGF support, interest subsidies, moderation of stamp duties and further lowering for women buyers.

Textiles

Simplification to the export duty structure, addition to list of exempted goods, reduced BCD, coupled with upskilling of artisans, craftsmen & weavers is set to promote exports in the leather & textiles sector.

IT & Telecom

Increased allocation for semiconductors, DPI applications across sectors, establishment of e-commerce hubs for artisans to access global markets.

Urban Development

Impetus to creation of 'Cities as growth hubs', Transit Oriented Development (TOD), brownfield redevelopment, upgradation of water supply, SWM, sewage treatment projects for 100 large cities.

Tourism

Development of temple corridors and improved road connectivity for pilgrimage sites along with development projects for multiple religious sites will amplify growth in tourism.

Key Schemes in Focus

Previous Year vs. Current Year allocations



#9



Samagra Shiksha

Ministry of Education

Total Budget (FY 24-25)

INR 37,500 Cr.

YoY Change

13.63% ▲

#10



PMAY - Pradhan Mantri Awas Yojana - Urban

Ministry of Housing and Urban Affairs

Total Budget (FY 24-25)

INR 30,171 Cr.

YoY Change

36.5% ▲

#11



National Health Mission

Ministry of Health & Family Welfare

Total Budget (FY 24-25)

INR 28,783

YoY Change

23.36% ▲

#12



MISS - Modified Interest Subvention Scheme

Ministry of Agriculture & Farmers' Welfare

Total Budget (FY 24-25)

INR 22,600 Cr.

YoY Change

22.16% ▲

#13



Metro Projects

Ministry of Housing and Urban Affairs

Total Budget (FY 24-25)

INR 21,336 Cr.

YoY Change

9.37% ▲

#14



Saksham Anganwadi and Poshan 2.0

Ministry of Women and Child Development

Total Budget (FY 24-25)

INR 21,200 Cr.

YoY Change

1.50% ▼

#15



Guarantee Emergency Credit Line Scheme

Ministry of Micro, Small and Medium Enterprises

Total Budget (FY 24-25)

INR 9,813 Cr.

YoY Change

29.9% ▼

#16



PM USHA - Pradhan Mantri Uchchatar Shiksha Abhiyan

Ministry of Education

Total Budget (FY 24-25)

INR 1,815 Cr.

YoY Change

263% ▲

#17



Crop Science for Food & Nutritional Security

Ministry of Agriculture and Farmers' Welfare

Total Budget (FY 24-25)

INR 930 Cr.

YoY Change

New Scheme

Year-on-Year change in budget allocations for key schemes has been calculated as per the following:

Budget Estimate
(FY 2024-2025)

Revised Estimate
(FY 2023-2024)

X 100

Revised Estimate
(FY 2023-2024)

Key Ministries in Focus

<p>#1</p> <p>Ministry of Defence</p>  <p>Total Budget (FY 24-25) INR 6,21,940.85 Cr.</p> <p>YoY Change (compared to BE estimate) 4.8% ▲</p>	<p>#2</p> <p>Ministry of Road Transport & Highways</p>  <p>Total Budget (FY 24-25) INR 2,78,000 Cr.</p> <p>YoY Change 0.60% ▲</p>	<p>#3</p> <p>Ministry of Railways</p>  <p>Total Budget (FY 24-25) INR 2,55,393 Cr.</p> <p>YoY Change 4.98% ▲</p>
<p>#4</p> <p>Ministry of Consumer Affairs, Food & Public Distribution</p>  <p>Total Budget (FY 24-25) INR 2,23,323.36 Cr.</p> <p>YoY Change 0.49% ▲</p>	<p>#5</p> <p>Ministry of Chemicals & Fertilizers</p>  <p>Total Budget (FY 24-25) INR 1,68,499.87 Cr.</p> <p>YoY Change 12.34% ▼</p>	<p>#6</p> <p>Ministry of Rural Development</p>  <p>Total Budget (FY 24-25) INR 1,80,233.43 Cr.</p> <p>YoY Change 4.20% ▲</p>
<p>#7</p> <p>Ministry of Agriculture & Farmers' Welfare</p>  <p>Total Budget (FY 24-25) INR 1,32,469.86 Cr.</p> <p>YoY Change 4.58% ▲</p>	<p>#8</p> <p>Ministry of Communications</p>  <p>Total Budget (FY 24-25) INR 1,37,293.9 Cr.</p> <p>YoY Change 11.85% ▲</p>	<p>#9</p> <p>Ministry of Education</p>  <p>Total Budget (FY 24-25) INR 1,20,627.87 Cr.</p> <p>YoY Change 7.5% ▼</p>
<p>#10</p> <p>Ministry of Jal Shakti</p>  <p>Total Budget (FY 24-25) INR 98,713.78 Cr.</p> <p>YoY Change 2.24% ▲</p>	<p>#11</p> <p>Ministry of Health & Family Welfare</p>  <p>Total Budget (FY 24-25) INR 90,958.63 Cr.</p> <p>YoY Change 12.97% ▲</p>	<p>#12</p> <p>Ministry of Housing & Urban Affairs</p>  <p>Total Budget (FY 24-25) INR 82,576.57 Cr.</p> <p>YoY Change 19.21% ▲</p>

Key Ministries in Focus

<p>#13</p> <p>Ministry of Women & Child Development</p> <p>Total Budget (FY 24-25) INR 26,092.19 Cr.</p> <p>YoY Change 2.53% ▲</p>	<p>#14</p> <p>Ministry of MSME</p> <p>Total Budget (FY 24-25) INR 22,137 Cr.</p> <p>YoY Change 0.0%</p>	<p>#15</p> <p>Ministry of Power</p> <p>Total Budget (FY 24-25) INR 20,502 Cr.</p> <p>YoY Change 16.26% ▲</p>
<p>#16</p> <p>Ministry of Electronics & IT</p> <p>Total Budget (FY 24-25) INR 21,936.9 Cr.</p> <p>YoY Change 52.12% ▲</p>	<p>#17</p> <p>Ministry of Science & Technology</p> <p>Total Budget (FY 24-25) INR 16,628.12 Cr.</p> <p>YoY Change 30.91% ▲</p>	<p>#18</p> <p>Ministry of New & Renewable Energy</p> <p>Total Budget (FY 24-25) INR 19,100 Cr.</p> <p>YoY Change 143.37% ▲</p>
<p>#19</p> <p>Ministry of Information & Broadcasting</p> <p>Total Budget (FY 24-25) INR 4,342.55 Cr.</p> <p>YoY Change 2.41% ▼</p>	<p>#20</p> <p>Ministry of Textiles</p> <p>Total Budget (FY 24-25) INR 4,417.03 Cr.</p> <p>YoY Change 28.29% ▲</p>	<p>#21</p> <p>Ministry of Skill Development & Entrepreneurship</p> <p>Total Budget (FY 24-25) INR 4,520 Cr.</p> <p>YoY Change 38.64% ▲</p>
<p>#22</p> <p>Ministry of Civil Aviation</p> <p>Total Budget (FY 24-25) INR 2,357.14 Cr.</p> <p>YoY Change 19.33% ▼</p>	<p>#23</p> <p>Ministry of Environment, Forests & Climate Change</p> <p>Total Budget (FY 24-25) INR 3,330.37 Cr.</p> <p>YoY Change 3.07% ▲</p>	<p>#24</p> <p>Ministry of Tourism</p> <p>Total Budget (FY 24-25) INR 2,479.62 Cr.</p> <p>YoY Change 46.54% ▲</p>

Highlights of the Economic Survey

How does the Budget line up with the Economic Survey?



Employment Generation & Skilling

Chapter 8: Employment and Skill Development: Towards Quality

Economic Survey: Reflected the need for an impetus to formal employment, thrust to 'Skill India' through amplification of the existing schemes. It also highlight importance of formal employment and increase in women labor force participation rate.

Budget: The focus is reflected through the introduction of initiatives including 3 'Employee Linked Incentive' schemes, a new CSS with State & Industry for developing 1000 ITIs, Model Skill Loans, Education Loans, internship opportunities in 500 top manufacturing firms, women-specific skilling programs, and support for women SHG enterprises' market access.



Agricultural Sector Revitalization

Chapter 9: Agriculture and Food Management – Plenty of Upside Left If We Get It Right

Economic Survey: The survey resonates with the Centre's commitment to not just the agriculture sector, which witnessed an upward growth trajectory at over 4% in the last 5 FYs, but also to the allied sectors, including fisheries and livestock, growing between 7% and 9% across the last 8 FYs.

Budget: The budget provision of 1.52 Lakh crore emphasizes the continued investments in agricultural reforms. Release of 109 high-yielding climate-resilient varieties of 32 field and horticulture crops, strengthening of vegetable supply and production chains, and fiscal support to shrimp processing & export, implementation of DPI, resonate with Centre's vision.

Manufacturing Sector Boost



Chapter 10: Industry - Small and Medium Matters

Economic Survey: The survey was indicative of the need for EODB & support systems required for MSME projects, in addition to financing arrangements, simplification of compliances, incentivisation and implementation of policies for promoting domestic manufacturing and exports.

Budget: The budget lays thrust on MSMEs through increase in access to credit for MSMEs, raise in credit limit for Mudra Loans and support for stressed enterprises through a government promoted fund & for public sector banks to enhance their in-house credit assessments. With simplified and rationalised export duty structure, reduction in customs duties on various commodities to give domestic manufacturing and exports a boost.

Infrastructure Development



Chapter 12: Infrastructure – Lifting Potential Growth

Economic Survey: The Survey is aligned well with the concentrated funding of large-scale infrastructure projects in past 5 FYs. Enhancing connectivity and logistics is crucial for economic integration and growth. Through increased private sector financing, policy & institutional support, in parallel with resource mobilisation, can further intensify this stance.

Budget: India allocated INR 11.11 lakh crore (3.4% of GDP) for infrastructure, including INR 1.5 lakh crore for interest-free state loans. Projects include road expansions, and developments in Bihar's airports, medical colleges, and sports infrastructure, with outlay for additional schemes like including irrigation projects, including impetus to rental housing through PPP via VGF.

Climate Action - A Priority



Chapter 6: Climate Change and Energy Transition: Dealing with Trade-Offs

Economic Survey: India has made significant progress on climate action with increase in its renewable energy capacity and energy efficiency. As of 31 May 2024, the share of non-fossil sources in the installed electricity generation capacity reached 45.4% & further, emission intensity of the GDP was reduced from 2005 levels by 33% in 2019.

Budget: The budget emphasizes a strong commitment to climate priorities introduction of 100+ climate resilient crop varieties, taxonomy for climate finance, focus on partnership with private sector for nuclear energy, extension of exemptions for capital goods used in solar energy and elimination of customs duties on critical minerals for other renewable energy sources.

Budget from Different Lenses

Growth in GDP



- ◆ Public investment continues to sustain capital formation
- ◆ Headline inflation rate is under control
- ◆ Promoting Private Infrastructure Investment via Viability Gap Funding and Market-Based Financing

- ◆ Special focus on employment, skilling, MSMEs and the middle class
- ◆ Women-led development: Over INR 3 Lakh Crore allocated for schemes
- ◆ Employment-linked incentives provided
- ◆ Limit of Mudra loans increased to INR 20 lakh

Equity & Inclusion



Sustainability & Resilience



- ◆ PM Surya Ghar Muft Bijli Yojana launched to install roof-top solar for 1 crore households.
- ◆ Strategic framework laid for promotion of renewable energy sources for cleaner and efficient energy solutions.
- ◆ Financial support for shifting of micro & small industries to cleaner forms of energy

- ◆ Lowered Fiscal Deficit of 4.9% of GDP
- ◆ The gross market borrowings through dated securities have reduced by 10.1% to INR 14.01 lakh crore from 15.43 Lakh crore of FY 2023-24

Fiscal Prudence



Infrastructure



- ◆ Capital outlay of Rs. 11,11,111 Cr for infrastructure sector. This is 3.4% of India's GDP
- ◆ Provision of INR 1.5 lakh crore for long-term interest free loans to support states in their resource allocation
- ◆ Phase IV of PMGSY will be launched to provide all weather connectivity to 25,000 rural habitations.

- ◆ Increased standard deduction for salaried and pensioners, relieving 4 crore individuals.
- ◆ Rs 1.5 lakh crore agriculture package to boost rural economy.
- ◆ PMAY 2.0 will boost affordable housing with INR 2.2 Cr Central Assistance over 5 years

Social Welfare



India's Economic Landscape vis-à-vis Rest of the World

India's economy, characterized by rapid growth and significant industrial output, is one of the largest in the world, ranking fifth in nominal GDP. It boasts a diverse economic structure with a robust service sector, substantial manufacturing, and a large agricultural base.

While growth rates often surpass global averages, challenges such as income inequality, infrastructure deficits, and regulatory complexities persist, impacting its overall economic competitiveness compared to developed economies.

Even though challenges exist, India has seen healthy savings, growing capital formation, robust FDI inflows and a major drop in unemployment. These drivers, along with many more, are leading India's growth story.

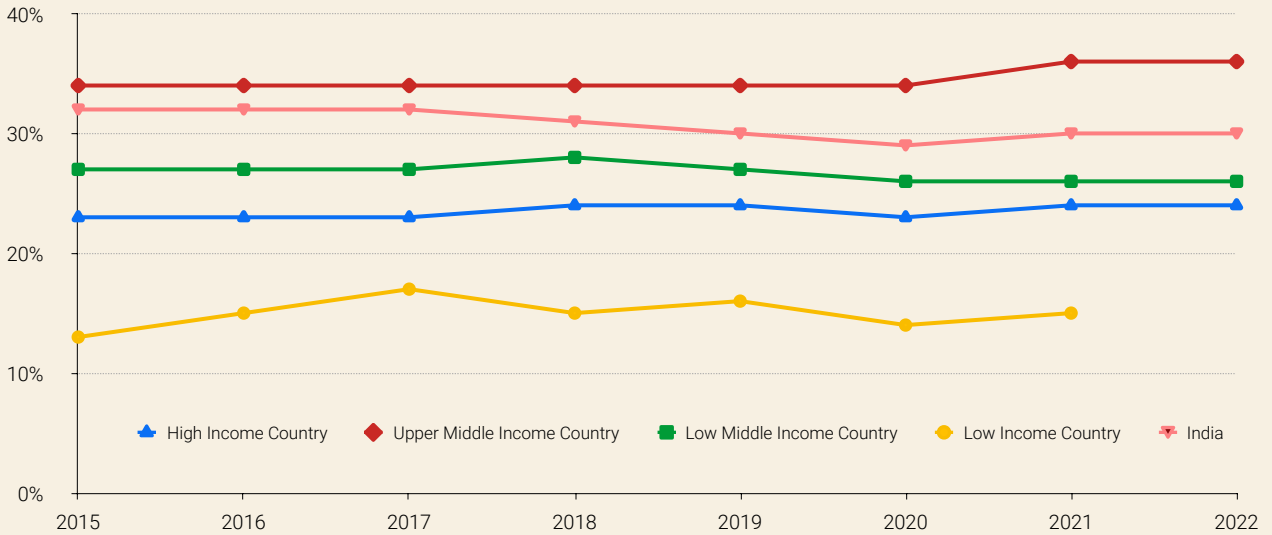
Below are a few graphs showing India's economic landscape vis-à-vis other economies grouped as high income, upper middle income, lower middle income and low income group as defined by World Bank.





Gross Savings (as % of GDP)

India has maintained a healthy savings rate of 30-31% vis-à-vis of Group (LMC) average of 25-27% over last decade, making the Indian economy robust & resilient. It has helped in enhancing financial stability, reducing reliance on external borrowing, and allowing for more sustainable economic growth, positioning India well to weather global economic fluctuations and crises.

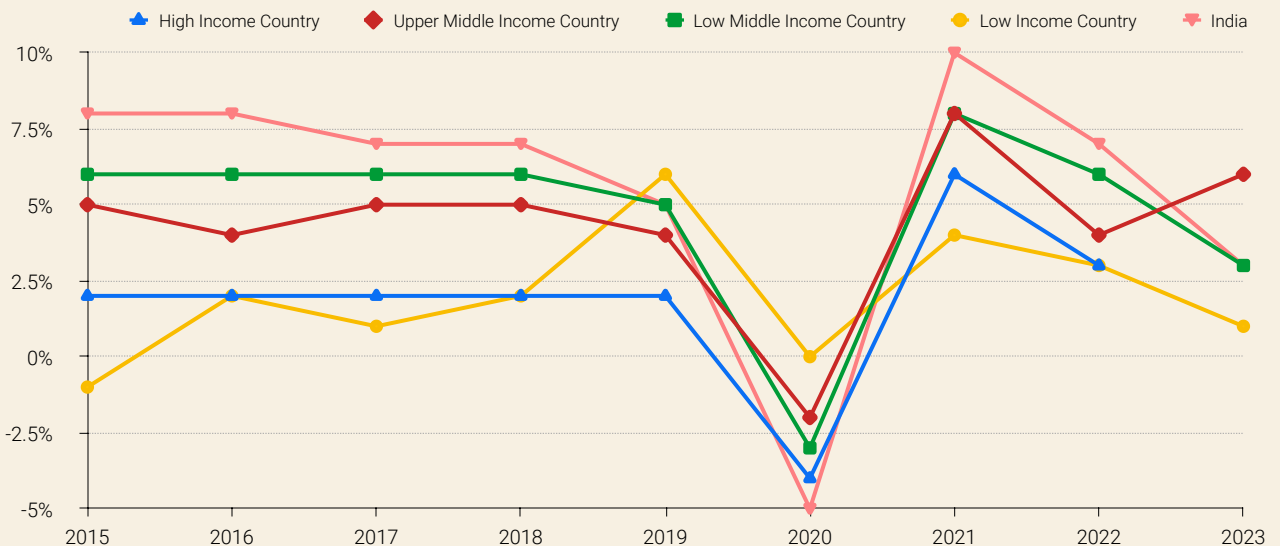


Source: World Development Indicators



Gross Capital Formation (Annual Growth Rate %)

Gross Capital Formation rate in India is consistently higher than its peers (LMC), implying a sustained growth for India. This has elevated investment in capital assets, such as infrastructure, machinery, and technology, accelerating industrialization, enhancing productivity, and fostering innovation.

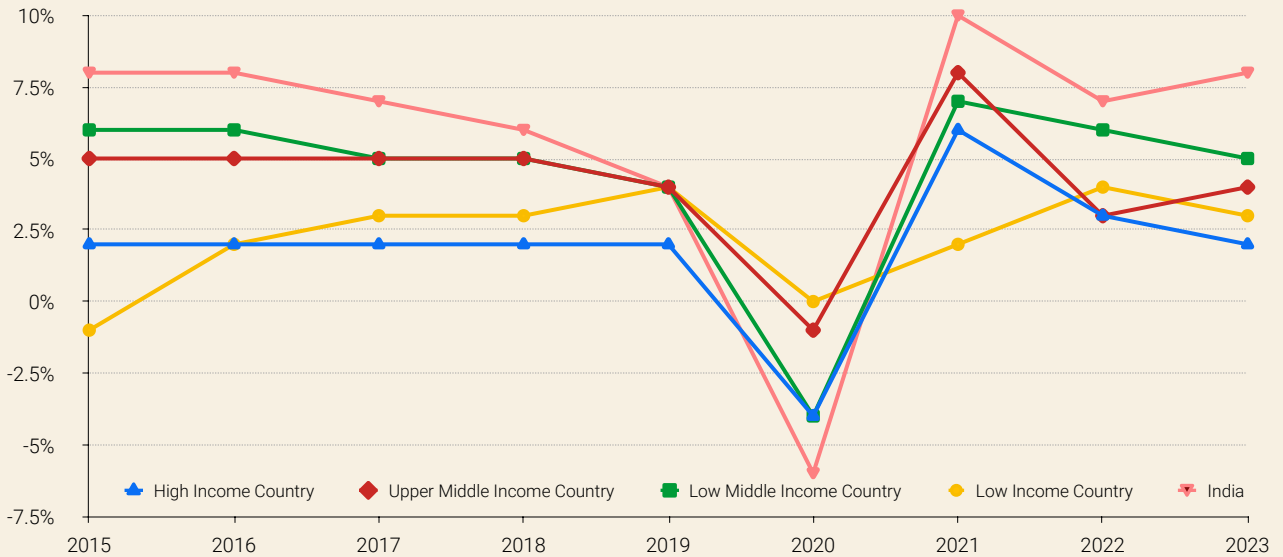


Source: World Development Indicators



GDP Growth (Annual %)

India's GDP growth has been consistently higher than average global growth. This has led to robust economic momentum and potential for long-term development. This trend attracts significant foreign investment, boosts consumer and business confidence. However, to sustain this growth, it is crucial to address structural issues such as income inequality, infrastructure deficiencies, and regulatory burdens, to ensure inclusive and balanced economic progress.

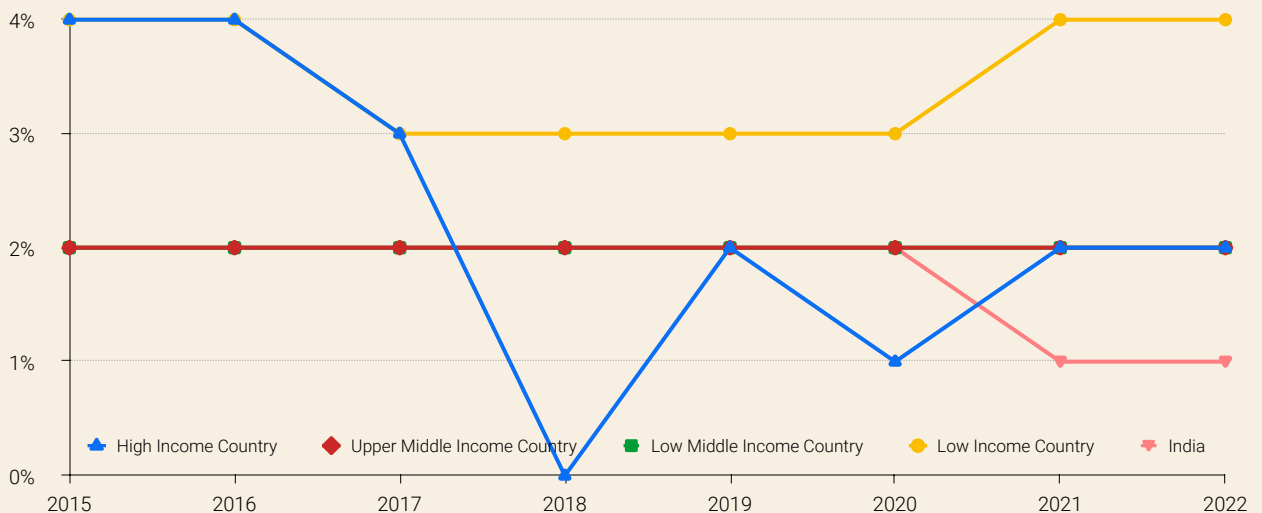


Source: World Development Indicators



FDI Inflows (% of GDP)

FDI (as % of GDP) has been fluctuating indicating towards event (reforms, policy push) based inflows, thus, to achieve a consistent growth in FDI (YoY), policy push such as PLI, Semiconductor Mission etc. must continue.

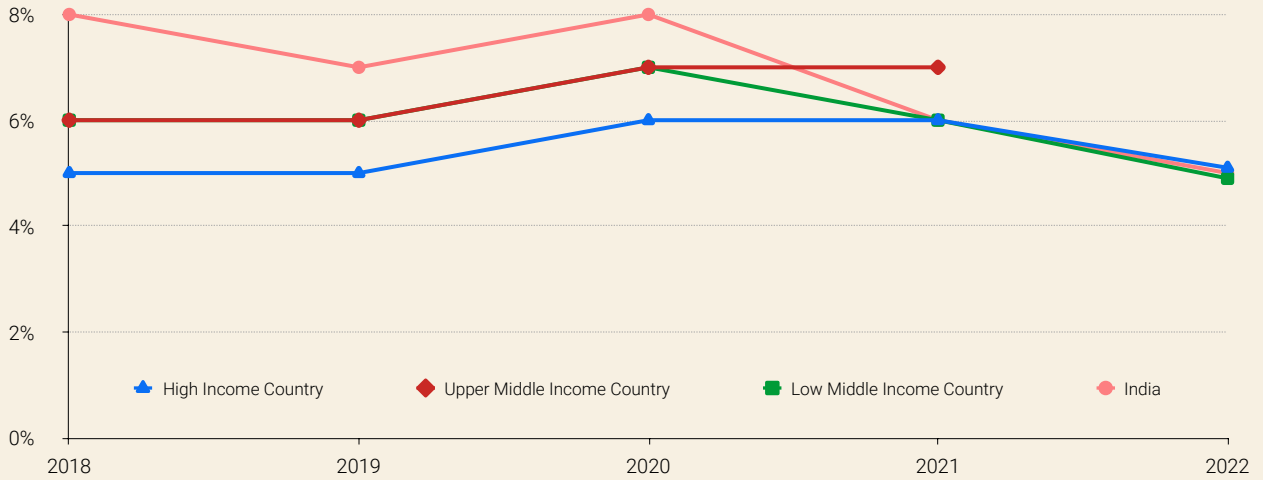


Source: World Development Indicators



Unemployment (% of Total Labour Force)

India has witnessed a highest drop in unemployment rate and as of 2023 unemployment rate @ 4.25% in India is even better than average of High Income Country.

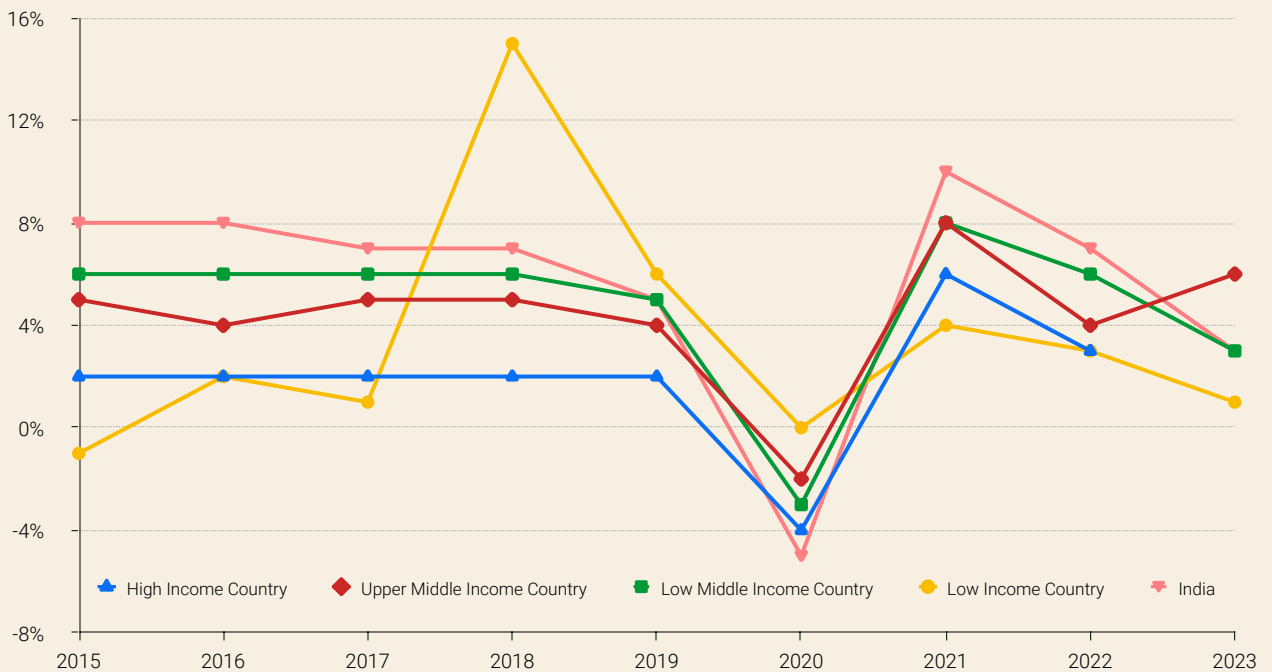


Source: World Development Indicators



Final Consumption Expenditure (Annual Growth %)

Growth in Consumption Expenditure has not been impressive, which must improve, given that India is consumption driven economy.



Source: World Development Indicators



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AEROSPACE & DEFENCE

A budget that integrates R&D and skilling, providing enhanced support for MSMEs and startups, to foster the Aerospace & Defence ecosystem while boosting employment.



Budget Announcements

- Increased allocation to enhance research and development in defence technologies.
- Significant allocation to projects of Air Force, Aircraft, Aero Engines, Naval Dockyards, etc.
- Focus on skilling through internship allowances and industry-led training, funded by CSR initiatives. Comprehensive scheme of 2000 Crore providing internship opportunities in top companies.
- Enhanced support for MSMEs and startups to foster growth within the A&D sector.
- Implementation of favorable policies for the mining of critical materials.
- Incentives through domestic industry incentivization scheme to encourage manufacturing and reduce dependence on imports.

Sector at a Glance

- Aerospace and Defence market in India is estimated to reach around INR 5.74 lakh crore by 2030.
- India ranked as the fourth-largest military spender globally in 2023 with defence expenditure worth INR 6.8552 lakh crore.
- With favorable policies to streamline FDI, enhance R&D and foster manufacturing ecosystem, India aims to reach its INR 0.41 lakh crore defence export goal by 2024-25.
- Aiming for self-reliance, India established defence corridors in Uttar Pradesh and Tamil Nadu to attract investment with INR 3,663 crore and INR 4,462 crore of amount already invested so far, respectively.

Key Companies in Focus

- **HAL:** INR 29,810 Crore in FY23-24, Major projects: LCA Tejas, ALH Dhruv, MRO, Key partnerships: Airbus, Safran, GE.
- **Tata Advanced Systems:** INR 3,346 Crore in FY23, Key partnerships: Lockheed Martin, Boeing, Airbus.
- **Bharat Forge:** INR 9131 Crore revenue as on Mar24, Key partnerships: General Atomic, Rafael Advanced Defence Systems.
- **Mazagon Dock Shipbuilders Limited:** INR 7,827 Crore in FY23, Major projects: Scorpene-class submarines, P17A frigates.
- **ideaForge:** INR 347 Crore revenue as on Mar24. Bagged largest single VTOL Mini UAV defence contract globally for its SWITCH UAV.

Intended Impact

- Strengthening the capabilities of MSMEs, which form the backbone of the Indian A&D ecosystem
- Boosting entrepreneurship within the sector, leading to innovation and job creation.
- Advancements and self-reliance in materials technology essential for the sector
- Development of skilled workforce to meet the demands of the technically demanding A&D sector.

Expectations towards Viksit Bharat



The increase in budgetary allocations reaffirms the government's strong focus on R&D and domestic manufacturing.

Expert Opinion



Rajinder Singh Bhatia
President, SIDM

This budget is commendable for its strategic emphasis on skilling, supporting MSMEs, and nurturing startups. These initiatives are poised to significantly enhance competitiveness and innovation within the A&D sector. The budget's strong focus on R&D, particularly through the lens of indigenization and meeting the sector's high technological requirements, is noteworthy for achieving Aatmanirbharta. By driving technological advancements and fostering self-reliance, these supportive measures lay a robust foundation for sustained growth in the Indian A&D industry while progressing towards a Viksit Bharat.

AGRICULTURE & ALLIED SECTORS

A budget that embraces innovation, sustainability and self reliance to revitalize the agricultural ecosystem of our nation.



Budget Announcements

- Boosting agricultural productivity & sustainability with 109 climate-resilient varieties of 32 horticultural & field crops.
- Establishment of 1000 bio research centers and mass promotion of natural farming.
- Attaining Aatmanirbharta in oil seeds & pulses by enhancing storage, marketing & export facilities.
- Proposal of a National Cooperation Policy to promote FPOs, co-operatives & start-up involvement.
- Upto a 5% reduction in BCD and credit duty exemption.
- Funding for Nucleus Breeding Centers and financial support for shrimp farming and processing.
- Digital Public Infrastructure for crop survey across 400 districts and 6 Crore farmers. To promote creation of land registry & farmer database for smooth credit flow.

Intended Impact

- To promote agricultural productivity and climate resilience, demarcating a sustainable approach towards safeguarding food systems.
- Increased budgetary allocation, higher credit flow and MSP hikes will increase rural disposable income and boost industrial consumption.
- Signified emphasis on curbing the 17% hike in edible oil and pulses imports (FY23) aiming to reduce foreign reliance.
- Agricultural digitization and supply chain framework development will enable financial inclusion and better market access for smallholder farmers.

Expectations towards Viksit Bharat



The steady increase in budgetary allocations reaffirms the government's strong focus on improving the agricultural sector.

Sector at a Glance

- India is the world's second-largest food grains, fruits and vegetables producer and employs 45% of the national workforce. India's agricultural sector projects contribution of approx. INR 4.98 lakh crore GDP by FY30.
- Favorable government policies including the PM-KMY, PM-KISAN, and PMFBY have provided funding support to over INR 66.73 crore beneficiaries till date.
- The Digital Agriculture Mission, ATMA Scheme, AgriStack, E-NAM, and 1300+ agritech startups represent a INR 1.9 lakh crore potential and 12.1% estimated CAGR growth rate by FY27.
- The food processing industry currently accounts for 32% of the country's total food market, attracting an FDI inflow of INR 27,400 crore in FY24.

Key Companies in Focus

- **UPL:** Revenue of INR 43,098 Crore in FY24, with INR 5,503 (12.77%) sourced from India, estimated 4-8% revenue growth in FY25.
- **ITC Ltd:** 4.5M tonnes of Agricultural Commodities Sold in FY23, sourced from 22 states, supporting over 20 value chain clusters, launched the ITCMAARS app in Dec 23 engaging over 1150 FPOs.
- **Mahindra & Mahindra Ltd:** INR 225 crore Revenue in FY24 Q4 (farming machinery) averaging a 44% YoY growth rate, 3.75 lakh ton tractor sales in FY24, market leader with a 20.3% (farming machinery) and 39.4% (tractors) market share.
- **LT Foods:** INR 7,870.93 crore Revenue from Operations and INR 593.35 crore net profit in FY24.

Expert Opinion



Sanjiv Kanwar
Country Head, Yara International

The budget has been pro-farmer. Digital Public Infrastructure in Agriculture can be a game changer, in terms of addressing climate change and improving farm productivity. Also, the push for 1 Crore farmers towards natural farming, will be extremely beneficial to the Indian Food and Agriculture industry.



AUTOMOTIVE & MOBILITY

Sector eagerly anticipates the forthcoming announcements regarding FAME III and additional policy measures, which are expected to be revealed following the budget announcement.



Budget Announcements

- Mention for the automotive industry was conspicuous by its absence.
- FAME scheme allocated INR 2,671.33 crore. But policy measures are in the making, and are likely to be announced after the budget.
- Announcements like ELI scheme may have positive impact for the industry.
- Reduction of tax for the middle class may have a positive impact on segments like 2 wheelers.
- INR 3,500 crore allocated for PLI, a 600% jump from previous year.
- The industry is in the middle of transition to more sustainable power trains, and needs support to be globally competitive.

Intended Impact

- Automotive industry is a significant driver of economy. It has high direct and indirect employment generation potential and contributes 7.1% to the GDP.
- Continuation and stability in policy and taxation is good in a way that there is predictability in the business.
- The industry eagerly awaits policy measures to improve its competitiveness

Expectations towards Viksit Bharat



The policy measures for Automotive industry are yet to be announced, hence a neutral rating. The sector is very important for Viksit Bharat goals

Sector at a Glance

- India's automotive industry, with a market size of INR 15 lakh crore in FY24, stands as the world's third-largest by sales, contributing approximately 7.1% to the national GDP and 49% to India's manufacturing GDP.
- From April 2023 to March 2024, the industry produced a total of 2.8 crore vehicles, with two-wheelers dominating production at 76%. Four-wheeler passenger vehicles accounted for the largest share of value, contributing 63% of the INR 10.22 lakh crore generated by the industry
- In 2023-24, India exported 45,00,492 vehicles, with two-wheelers comprising about 76.8% of these exports. The sector also attracted 5.34% of the total FDI inflow and provided direct and indirect employment to over 37 million people.
- India's Electric Vehicle (EV) market is projected to grow at a CAGR of 45.9% between 2022 and 2030, potentially creating 5 million direct and indirect jobs.

Key Companies in Focus

- **Tata Motors:** Revenue of INR 1.2 lakh crore with a total sale of 76,766 units in May 2024
- **Daimler Truck:** 39% growth in domestic and 13% growth in cumulative sales in 2023 with a 21% increase in revenue in 2023
- **Bharat Forge Limited:** Sales of INR 15,682 Crore in FY24
- **JBM Auto Limited:** INR 3,857 crore total revenue from operations

Expert Opinion



Dilip Chenoy

Chairperson, Bharat Web3 Association; Chairman, India Battery Swapping Association (IBSA)

The Union Budget 2024-25 would significantly impact the auto sector by focusing on internship and skilling, initiatives, and import duty reductions. These measures will drive consumption and foster growth. The taxation reforms and rural infrastructure enhancements as well as agricultural upgrades, will create employment opportunities, improve connectivity, and boost rural incomes. Customs duty reductions, on catalytic converter inputs, lithium copper, cobalt and rare earth elements alongside schemes for upskilling workers and apprentices, will support employment generation in manufacturing. Allocations for the PLI, ACC and FAME scheme will further contribute to the sector's prosperity. 45

BANKING & FINANCIAL SERVICES

Major push towards MSME sector with increase in facilitation and provision of credit, along with continued support for increasing FDI and promoting the Indian rupee on the global stage.



Budget Announcements

- PSU banks to develop comprehensive credit assessment model for MSME loans internally.
- Proposed credit guarantee scheme will operate on risk pooling mechanism for MSME loans and provide guarantee cover of INR 100 Crore.
- Increase reach of SIDBI branches to 168 major MSME customers out of 242 clusters for improvement in credit facilitation.
- Long term capital gains on all financial and non-financial assets increased to 12.5% and limit of exemption of capital gains increased to INR 1.25 Lakh/year.
- 20% tax rate for short term gains on financial assets and an increase in STT for F&O.
- Unlisted bonds and debentures, debt mutual funds and market linked debentures, irrespective of holding period will attract tax on capital gains.
- Rules and regulations for FDI to be simplified and promote opportunities for using Indian rupees as currency for overseas investment.

Intended Impact

- Budgetary provisions will majorly impact growth of MSME sector. With collateral-free credit availability, MSMEs will get room for capital investments.
- Potential slow down of the stock market rally with increase in taxation of listed financial assets.
- Increase in STCG and STT tax rates will have a direct impact on investment strategies such as decline in short term trading of listed equity.

Expectations towards Viksit Bharat



Increased push towards MSME and start-up growth, and transparency. However, higher taxation will dampen participation in listed markets.

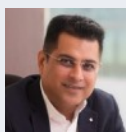
Sector at a Glance

- Payments & UPI: UPI payments have grown 49% YoY in Jun-24 in terms of quantity and 36% YoY in terms of value.
- Banks: The Credit to Deposit ratio is the highest in the last 20 years, hovering around 80%. Gross NPA for SCBs fell to a 12-year low of 2.8% at the end-March 2024,
- Insurance: Premium from new business grew 15.6% YoY in March 2024 while new policy issuances grew by only 2.5% YoY.
- Financial Market: Indian stock market has outperformed major markets like US and China on a 3-year, 5-year and 10-year basis.

Key Companies in Focus

- Banks such as State Bank of India and HDFC play an important role in MSME growth due to more capital available for the sector.
- HDFC Life Insurance and other leading insurance providers are in focus due to the TDS rate cuts leading to cheaper insurance for consumers.
- Broking firms like Angel One and Groww see an impact with the rationalization of capital gains and increase in taxation on F&O.
- Venture Capital Firms like Accel and Kalaari Capital are in the limelight with the abolishment of Angel Tax – a celebrated decision.

Expert Opinion



Gurpreet Sidhana
CEO, Religare Broking Ltd.

Budget 2024-25's increased taxation on short-term capital gains and STT on F&O is a crucial development for the market. In a growing economy, the financial markets become a key pillar for economic growth. However, this move may dampen investor enthusiasm and potentially slow the robust stock market momentum we've enjoyed in recent years.

CHEMICAL & FERTILIZERS

The budget does not explicitly cater much to the chemicals industry, but proposed interventions towards MSMEs can help fuel the sector's growth. Moreover, the budget's focus on overall R&D will be beneficial to the sector's progress.



Budget Announcements

- Increase in BCD for ammonium nitrate and plastics may help protect the Indian industry and promote investment.
- Increase in BCD for PVC flex banners, which are non-biodegradable and hazardous for the environment should discourage its use.
- Announcements like ELI scheme, support for innovation and improvement of infrastructure may have positive impact for the industry.
- No major announcements have been made for the chemical industry.

Sector at a Glance

- **Rising Demand:** The Indian chemical industry, valued at INR 18 lakh crore in 2022, is projected to reach INR 24.9 lakh crore by 2025 and INR 83 lakh crore by 2040, driven by a 9% annual growth in demand.
- **Investment in Speciality Chemicals:** This market is expected to grow at a CAGR of 12%, reaching INR 5.25 lakh crore by 2025, fueled by strong demand in export and end-user industries.
- **Strategic Investments:** Himadri Speciality Chemical's INR 58 crore investment in Sicona Battery Technologies represents a significant move into high-growth sectors like battery technology and indicating industry expansion.
- **Increased Production Levels:** Major chemical production reached INR 7,635.84 crore metric tonnes (MMT) in January 2024, while petrochemical production was 1,863.57 MMT, reflecting heightened industrial activity and capacity.

Key Companies in Focus

- **Reliance Industries:** generated INR 5,64,749 crore in revenue from its Oil to Chemicals in FY 23-24.
- **Gujarat Fluorochemicals Ltd:** Generated INR 5,685 crore in 2023, which was up by 44% on a YoY basis.
- **Tata Chemicals:** Generated INR 16,789 crore Revenue in FY23, up by 33% as compared to INR 12,622 crore In 2022.
- **Pidilite Industries:** Generated INR 11,799 crore in revenue reporting revenue growth of 19% YoY.

Intended Impact

- Promote and secure the local manufacturing of ammonium nitrate.
- Discourage use of environmentally unfriendly PVC flex banners.
- Chemical industry to benefit from other announcement done for MSME, ELI etc.

Expectations towards Viksit Bharat



Chemical industry is among one of the 'pillar' industries that feed the manufacturing sector.

Expert Opinion



Dr Ajay Ranka
Chairman and MD, Zydex Group

The most exciting item for Chemical Industry is the support for innovation. This will help the industry get more competitive. The steps announced for energy, environment, ports etc. will help in improving the ecosystem for the Chemical industry. Outlay on skilling and education will help in improving the quality of people available. The time is right for supporting the industry, and the Govt. should spend at least what it collects from the Chemical industry and make it more competitive. The Govt. should also try to keep level playing field and have uniform duties and taxes to chemicals.



DIRECT & INDIRECT TAX

A budget that embraces a comprehensive and holistic strategy to boost economic growth by rationalising the taxation structures and enhancing tax compliance.



Budget Announcements

- Simplification and rationalization of the GST structure to expanding applicability to remaining sectors.
- Reduction of customs duty rates for medicines, mobile phones, critical minerals, marine products etc. to support domestic manufacturing and promote export competitiveness.
- TDS on repurchase of units by mutual funds or UTI withdrawn; TDS rate on e-commerce operators reduced from 1% to 0.1%.
- Short-term capital gains on specific financial assets to be taxed at 20%; Long-term capital gains taxed at 12.5%; Exemption limit of INR 1.25 Lakh per annum.
- Corporate tax for foreign companies reduced from 40% to 35%.
- Security Transactions Tax on futures and options of securities increased to 0.02% and 0.1% respectively
- Changes to the new tax regime, which can lead to savings of INR 17,500 lakh per annum.
- Sunset of angel tax and equalization levy.

Intended Impact

- Balanced provisions intended to limit the decrease in govt. revenue to Rs. 7000 Cr
- Proposals for customs duties will support domestic manufacturing, promote export competitiveness, and simplify taxation.
- Capital gains provisions will likely shift investments away from financial assets.
- Further, increase in STT for F&Os and short-term capital gains can be seen as a move to discourage speculative trading
- Rationalization of TDS framework for the e-commerce industry will help enhance the competitiveness of the sector

Expectations towards Viksit Bharat



The proposed review of the Income Tax Act and changes in the tax regime reaffirms the government's strong focus on providing tax ease to the general public.

Sector at a Glance

- Gross Direct Tax collections for FY 2023-24 grew by 18.48% at INR 23.37 lakh crore.
- Total gross GST collection for FY 2023-24 is INR 20.18 lakh, a 11.7% increase as compared to the previous year. March 2024 saw the second highest collection ever at INR 1.78 lakh crore.
- FY 2023-24 saw a dip in the share of corporate tax from 49.6% to 46.5%.
- The share of Direct Taxes decreased while there is an increase in the share of Indirect Taxes.

Tax Collection and Estimates

Particulars	BE 2023-24	RE 2023-24	% of Total (BE 2023-24)
Corporation Tax	9,22,675	9,22,675	27%
Income Tax	9,00,575	10,22,325	30%
Wealth Tax	Nil	Nil	Nil
Customs	2,33,100	2,18,680	6%
Union Excise Duties	3,39,000	3,08,100	9%
Service Tax	500	500	0.01%
GST	9,56,600	9,56,600	28%
Taxes on UTs	8,408	8,331	0.2%
Gross Tax Revenue	33,60,858	34,37,211	-

Expert Opinion



Meyyappan Nagappan

Partner, Tax and Impact Finance, Trilegal

This budget has a few unexpected surprises, such as the sunset of angel tax and equalisation levy provisions. The budget proposal standardises holding periods and tax rates, a good long term tax policy move, investors may not appreciate the potentially increased tax outflow in the short term. TDS reduction for the e-commerce sector and changes to the tax regime applicable to charities are also welcome moves. Some missed opportunities include rationalising taxes for VDAs, regulatory & tax changes to enhance blended financing for climate finance and introduction of Pillar 2.



EDUCATION

A budget that embraces a comprehensive and holistic strategy to support the skill development and employment aspirations of our young generation.



Budget Announcements

- The budget has given a substantial push to employment and skilling by making it one of its nine priority areas.
- As a part of Prime Minister's package, 3 schemes for "Employment Linked incentives" would be implemented:
 - Scheme A: First Timers – One month wage to all persons entering the workforce in formal sector, benefiting 210 lakh youth.
 - Scheme B: Job Creation in manufacturing to benefit 30 lakh youth entering the workforce.
 - Scheme C: Support to Employers – The government to reimburse to employers upto Rs. 3000/- per month for 2 years towards EPFO contribution.
- The revised Model Skill Loan Scheme to facilitate loans up to 7.5 Lakh will benefit 25,000 students/year.
- A scheme for internship opportunities in 500 top companies to 1 crore youth, with allowance 5,000 per month.

Intended Impact

- Skilling – 20 lakh youth to be skilled over a 5 year period.
- 1000 ITIs would be upgraded in hub and spoke arrangement.
- Financial support for loans upto 10 Lakh in domestic institutions will benefit 1 lakh students/year.
- Angel Tax abolished for all class of investors to bolster the Indian start-up ecosystem and boost entrepreneurial spirit and support innovation.

Expectations towards Viksit Bharat



The steady increase in budgetary allocations reaffirms the government's strong focus on improving the Education sector.

Sector at a Glance

- With the world's second-largest education system and 25% of the global school-age population, India's education sector is projected to reach INR 25.67 lakh crore by FY30.
- Favorable government policies including the NEP 2020, Sarva Shiksha Abhiyaan and Rashtriya Uccharat Shiksha Abhiyan, which aim to transform the sector to meet 21st-century needs.
- A total of 101 Indian institutions qualified for Times Higher Education World University Rankings 2024. 10 Indian Institutes are in the Top 500 in QS World University Rankings 2024.
- Edtech startups are expected to amount to more than INR 48.05 lakh crore by 2027.

Key Companies in Focus

- S. Chand and Company Ltd:** INR 262 crore revenue in FY24, 50M Books Sold, 5K+ Dealers and Distributors.
- Extramarks:** Revenue of INR 300 crore and aims to double its revenue to around INR 1,000 crore.
- Unacademy:** INR 913 crore revenue in FY23, 1M+ Video Lessons, 3.2B+ Mins Watched, 14K+ Educators.
- Infinity Learn:** Revenue from operations reached over INR 100 crore in FY23.
- ConveGenius:** Revenue from conversational AI & Big Data analytics in School Education domain.

Expert Opinion



Dr. Apoorva Palkar
Vice Chancellor, MSSU

The Budget 2024-25 has given a substantial push to skilling by making it one of its nine priority areas. Employment Linked Incentives are set to benefit 210 lakh youth through Direct Benefit Transfers. The budget's emphasis on job creation in manufacturing will empower 13 lakh youth through its Employment Linked Incentive, incentivizing both employers and employees. Additionally, by abolishing the Angel Tax, it aims to boost funding in startups and significantly strengthen the startup ecosystem in India.

ENERGY & CLIMATE

A commitment to green growth for a Viksit Bharat



Budget Announcements

- Change it to “Details awaited for energy transition and the promotion of pumped storage projects.
- Update on the positive response to the PM Surya Ghar Muft Bijli Yojana with more than 1.28cr registrations and 14 lakh Applications.
- New initiatives in nuclear power - Setting up of Bharat Small Reactors, R&D of Bharat Small Modular Reactor, R&D of newer technologies.
- Development of indigenous technology for Advanced Ultra Super Critical (AUSC) Thermal Power Plants and a full-scale 800 MW plant by NTPC and BHEL.
- Energy audits for over a 100 clusters of traditional MSMEs (including brass and ceramic) by Phase 2.
- Acknowledgment of Lithium, Copper, Cobalt and Rare Earth Elements (REE) as critical resources.

Intended Impact

- Policy frameworks for energy transition enable fine balancing economic growth and green efforts.
- Duty exemption on REEs will boost the indigenous ecosystem, as India holds the 5th largest global resource of REEs, and promotes adoption of EVs.
- R&D in Nuclear power infrastructure will expedite the journey towards cleaner energy - meeting over 50% energy needs, innovating reactor localization, energy security and safety.
- Movement of hard-to-abate sectors towards emission targets will enhance sector transparency, accountability, and innovation.

Expectations towards Viksit Bharat



The steady increase in consolidated budgetary allocations reaffirms government's strong focus on balancing development with climate initiatives.



- ₹ New and Renewable Energy – 143% increase (INR 19100 Crore FY24-25 BE)
- ₹ Coal – 2% increase (INR 193 Crore FY24-25 BE)
- ₹ Petroleum and Natural Gas – 8% increase (INR 15930 Crore FY24-25 BE)
- ₹ Environment, Forests and Climate Change – 3% increase (INR 3330 Crore FY24-25 BE)

Sector at a Glance

- India is the 3rd largest energy-consuming country and stands as the 3rd largest producer and consumer of electricity with an installed capacity of 429.96 GW as of April 2024.
- India's installed renewable energy capacity stands at 182.05 GW, representing 42.3% of the overall installed power capacity.
- India's oil refining capacity stood at 253.92 MTPA, making it the 2nd largest refiner in Asia.
- India's consumption of petroleum products stood at almost 4.44 million barrels per day in FY23, and crude oil production stood at 2.69 MBPD during April-October 2023.
- As a part of COP29, India is committed to reducing GHGs and achieving net zero targets by 2070 through the Panchamrit action plan.

Key Companies in Focus

- **Reliance Power:** A push to increase the portfolio investments of power projects based on thermal and renewable energy.
- **Tata Power:** To push renewable energy expansion target at INR 20,000 Cr for FY 2025.
- **Adani Power:** Consolidated power sale volume at 79.3 BU and revenue at INR 50,960 Cr in FY 2024.
- **Suzlon Energy:** Achieved highest wind turbines deliveries reaching 274 MW in June 24' and revenue operations surged INR 2,016 Cr.
- **ReNew Power:** Revenue from operations reached INR 9,653 crore with a revenue-generating capacity of 9.52 GW of renewable energy assets in March 2024.

Expert Opinion



Subhash Kumar

Director General, Association of CGD Entities (ACE); Former CMD, ONGC

The budget highlights "Energy Transition" encapsulating rooftop solar for 10 million households and pumped storage projects, with emphasis on thermal power and small modular nuclear reactors demonstrating a forward-looking approach to meet India's climate targets. These are impactful steps the benefit of which will be reaped over time. Given the priority that the govt attaches to securing a clean and healthy environment for Indian public, it is foreseen that stage is set for a push by Govt for greater role for gas among the fossil fuels, which besides reducing carbon footprint of energy usage will also help promote game changing SATAT Initiative.⁵⁰



FMCG

A budget that addresses the expectations of the FMCG sector for interventions to spur the demand through a focused impetus on increasing employment and rural development, while also enhancing the competitiveness of MSMEs.

Budget Announcements

- Five schemes announced to facilitate employment and skilling for 4.1 crore youth with a central outlay of Rs. 2 lakh Crore
- Provision of Rs. 2.66 lakh crore for rural development including rural infrastructure
- Financial support for setting up of 50 multi-product food irradiation units in the MSME sector will be provided.
- Facilitating setting up of 100 food quality and safety testing labs with NABL accreditation.
- To enable MSMEs to sell their products in international markets, E-commerce export hubs will be set up in public-private-partnership (PPP) mode.
- TDS rate on e-commerce operators is proposed to be reduced from 1 to 0.1%.

Intended Impact

- Boost in employment and rural development resulting in higher income and increased demand for FMCG products.
- Enhanced vegetable supply chain efficiency and reduced wastage .
- Ensure food safety, product quality and market competitiveness.
- Increased competitiveness of MSMEs in the export market.

Expectations towards Viksit Bharat



The FMCG sector will continue to grow and benefit on the back of investments in employment, skill development, agriculture and rural development

Sector at a Glance

- The Indian FMCG sector is the fourth largest sector in the Indian economy, which has a revenue of approx. INR 10,111.4 billion as of 2023 and employs about 3 million people.
- The total revenue of the FMCG market is expected to grow at a CAGR of 27.9% from 2021-27, reaching nearly approx. INR 51,117.21 billion.
- The household care and personal care combined segments, healthcare segment and food & beverages (F&B) segment account for 50%, 31% and 19% of the sector's revenue, respectively.
- The urban consumers contribute around 65% of the total FMCG sales, while rural consumers contribute 35%. The rural market is expected to reach approx. INR 8,300 billion by 2025, owing to increasing internet penetration, awareness, income and changing lifestyle.

Key Companies in Focus

- **Hindustan Unilever Ltd:** Turnover of INR 59,579 Crore (FY 2023-24), 50+ brands spanning 16 categories, 3,500+ distributors.
- **ITC:** Gross revenue of INR 69,446 Crore (FY 2023-24), 25 mother brands ranging from branded packaged food, personal care products , education and stationery, etc.
- **Adani Wilmar:** Gross revenue of INR 51,262 Crore (FY 2023-24) , 23 manufacturing units and 10,700+ distributors network.
- **Britannia Industries:** Gross revenue of INR 16,546 Crore (FY 2023-24), 40+ brands.
- **Patanjali Ayurved Ltd:** Gross revenue of INR 31,962 Crore (FY 2023-24), 3500+ distributors and 47,000 + retailers.

Expert Opinion



Sachid Madan

Advisor to Bagrry's; Ex-CEO, ITC (Fresh F&V and Frozen Business)

Focusing on employment and rural development, including infrastructure creation, encouraging 'Make in India,' and simplifying the ease of doing business will create a virtuous cycle of increased incomes and consumption, essential for the long-term growth of the FMCG sector.



HEALTH & HEALTH RESEARCH

A budget that will pave the way for universal healthcare and a future that is healthier, just and equitable for all.



Budget Announcements

- Reduction in the basic customs duty for X-ray tubes and flat panel detectors from 15% to 5% till 31.03.2025.
- Push towards development of DPI applications aimed at better access and to promote private sector innovation in the health sector.
- New medical college to be constructed in Bihar.
- Pradhan Mantri Janjati Unnat Gram Abhiyan scheme for improving the conditions of tribals with focus on health infrastructure.
- 10% increased allocation for health research from the interim budget.

Intended Impact

- Boost research & innovation through reduction of taxes and push towards DPI application.
- Domestic capacity addition for health devices industry due to reduction in custom duties, boosting affordability for citizens. Push towards diagnostics.
- Improvement in access to services and outreach of major schemes through focus on digital tech.
- Focus on tribal health will be anticipated to improve health indicators in key geographies.

Expectations towards Viksit Bharat



This health budget is expected to address the diverse challenges faced by health sector with a more strategic involvement of private players to boost growth, improve access and quality of healthcare.

Sector at a Glance

- Indian healthcare industry is a constantly and rapidly involving industry, having reached a value of INR 30,876 billion, employing >7.5 million people making it one of the country's largest employer.
- Push towards promoting AYUSH, wellness & mental health is visible from the constant increase in budgetary allocations.
- Commitment towards leveraging tech for efficient healthcare delivery is evident from the promotion of digital health (U-WIN and other platforms).

Key Companies in Focus

- **Healthify Me:** A digital health and wellness company powered by AI with more than 35 million users has raised over INR 1,079 crore.
- **Molbio diagnostics:** First Goan company to achieve unicorn status, reported a revenue of INR 850 crore for FY24.
- **Niva Bupa:** One of the largest and fastest growing standalone retail health insurers (SAHI) in India with a GDPI of INR 5,499 crore.
- **Apollo Hospital:** India's largest private hospital chain by net sales with a market cap of INR 91,849.64 crore.
- **Max Healthcare:** India's second largest hospital chain in terms of revenue with market cap of INR 89,460 crore.

Expert Opinion



Dr Naresh Trehan

Chairman CII Healthcare Council & Chairman and Managing Director, Medanta The Medicity

The 2024 Budget announcement by the Finance Minister is a transformative step for the healthcare and skilling sectors. The exemption of customs duties on three additional cancer medications will significantly reduce the financial burden on patients, ensuring better access to essential treatments. Furthermore, the changes in the Basic Customs Duty on X-ray tubes and flat panel detectors, part of the Phased Manufacturing Program, will strengthen our domestic production capacity, leading to improved accessibility and affordability of critical medical equipment. The budget's focus on skilling initiatives is equally commendable, as it will equip our healthcare professionals with the necessary skills to meet the evolving demands of the sector, ultimately enhancing the quality of care provided to patients.

HOUSING & REAL ESTATE

A budget that presents a comprehensive and holistic strategy to address the housing needs of all sections, ensuring affordable housing solutions and sustainable urban development.



* BE & RE are for Ministry of Housing & Urban Affairs

Budget Announcements

- **PM Awas Yojana 2.0:** 3 crore additional houses shall be constructed in rural as well as urban areas. 2 crore Rural & 1 crore Urban area to address housing needs of one crore urban poor and middle-class families with an investment of INR 10 lakh crore, including INR 2.2 lakh crore central assistance over five years.
- **Creative redevelopment of brownfield cities:** Formulate framework for enabling policies, market-based mechanism and regulations.
- **Rental Housing:** Regulations & policies for efficient, transparent and available rental housing. Facilitate dormitory-style accommodation for industrial workers in PPP mode with VGF support and commitment from anchor industries.
- **Interest Subsidy:** Provide interest subsidies under PMAY-U to enable affordable housing loans.
- **Stamp Duty:** Encourage states to moderate high stamp duties and consider further reductions for properties purchased by women.

Sector at a Glance

- Rapid urbanization drives growth in India's residential and commercial real estate sector.
- The sector contributing about 6-7% to India's GDP is expected to reach a market size of INR 4.81 lakh Crore by 2047 contributing 15.50% to the GDP.
- Government initiatives like PMAY (Pradhan Mantri Awas Yojana) targeting 3 crore affordable houses and RERA (Real Estate Regulatory Authority) enhancing transparency and investor confidence, coupled with a focus on affordable housing and sustainable development are pivotal for addressing urban growth and environmental concerns.

Key Companies in Focus

- **DLF Ltd:** Raised capital, expanded commercial projects, reported INR 6,958.34 crore revenue (FY 2023-24).
- **Godrej Properties Ltd.:** Raised funds, focused on sustainable projects, achieved INR 4,420.10 crore revenue (FY 2023-24).
- **Oberoi Realty Ltd.:** Raised debt, launched luxury projects, recorded INR 4827.60 crore revenue (FY 2023-24).
- **IndiaBulls Real Estate Equinox India Development Ltd:** Raised \$350M bonds, expanded internationally, reported INR 468.75 crore revenue (FY 2023-24).
- **Brigade Enterprises:** Raised funds, developed significant projects like Brigade Gateway and World Trade Center, achieved INR 5,064.15 crore revenue (FY 2023-24).

Intended Impact

- **PMAY 2.0:** Bridge housing gap, improve living standards.
- **Creative redevelopment of brownfield cities:** revitalize old urban areas, improve infrastructure and promote sustainable urban growth.
- **Rental Housing:** Affordable housing for students & working class and boost productivity.
- **Interest Subsidy:** Enable home purchases and increase homeownership.
- **Stamp Duty:** Lower duties, ease real estate investments.

Expectations towards Viksit Bharat



The steady increase in budgetary allocations reaffirms the government's strong focus on improving the housing sector, aligning with the expectations towards achieving Viksit Bharat

Expert Opinion



Niranjana Hiranandani

Founder & Chairman, Hiranandani Group & Chairman, NAREDCO

The monumental allocation of INR 10 lakh crore under the PMAY Urban Scheme, aiming for 3 crore houses, alongside the focus on rental housing through dormitories via the PPP model, underscores a robust vision for Housing Sector. With sustained infrastructure impetus, reflected in the INR 11.11 lakh crore Capex allocation, we anticipate a significant boost in affordable rental housing. The emphasis on encouraging state governments to reduce stamp duty and other development premiums is a decisive step. This will not only bolster urban housing growth but also make affordable housing more accessible, optimize development costs, and invigorate the demand curve.



INFRASTRUCTURE

With continued investment in infrastructure, skill development, and green logistics, government can further enhance the resilience and competitiveness of the sector.



Budget Announcements

- Provision of INR 1.5 lakh crore to states as long-term interest free loans, to support resource allocation
- Phase IV of PMGSY will be launched to provide all weather connectivity to 25,000 rural areas
- Private investment in infrastructure to be promoted through Viability Gap Funding (VGF)
- The development of plug-n-play industrial park infrastructure in 100 cities with government and private funding
- Transit Oriented Development plans for 14 large cities with a population above 30 lakh
- Twelve industrial parks under the National Industrial Corridor Development Programme

Intended Impact

- Rise of capital expenditure is driving India's growth story with world-class infrastructure.
- Inflow of private investments for infrastructure reduces debt requirement & liability.
- Expansion of industrial corridor programs, leading to decreased logistical costs and higher industrial efficiency.
- Increase in urbanisation with push for urban infrastructure & transit-oriented cities.

Expectations towards Viksit Bharat



The increase in budgetary allocations reaffirms the government's strong focus on the Infrastructure sector.

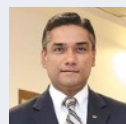
Sector at a Glance

- National Highway (NH) network increased by 60% from 91,287 km in 2014 to 1,46,145 km in year 2023.
- India plans to achieve a port capacity of 10,000 MTPA by 2047.
- India's aircraft fleet is projected to grow from the 700 to over 1,500 by 2030 – increasing aviation infrastructure demand.
- A uniform 5% tax on aircraft parts introduced to increase MRO activities in India.
- VGF to harness offshore wind energy.
- Railway ministry's target of 100 percent electrification, laying at least 2,000 km of new tracks and rolling out new Vande Bharat trains.

Key Companies in Focus

- **Larsen & Toubro (L&T):** Involved in building roads, airports and railway infrastructure. INR 1.57 trillion
- **JM Baxi:** Port logistics business. Have contributed to India's lower logistics cost.
- **Adani Ports:** INR 20,851 crore in FY2023. Over 3,000 employees.
- **GMR Infra:** Market capitalization of INR 67,194.60 crore.

Expert Opinion



Murali Ramachandran
President of India & Southeast Asia, Celebi

The offering of INR 1.5 lakh crore long-term interest-free loans will reinforce support for the airport monetization plan for six airports as identified in the National Monetization Plan (NMP) and promote PPPs. This will also improve airport operations, enhance connectivity and ultimately benefit Indian citizens. Furthermore, extending the period for exports of goods imported for repairs from 6 months to 1 year is a good move and shall benefit the aviation and shipping sectors

IT & TELECOM

The budget aims to propel innovation, prioritise emerging sectors and scale allocation on semiconductors industry. India also looks to expand its global tech reach via DPIs and more PPPs



Budget Announcements

- Govt increases basic customs duty to 15% from 10% on specified telecom equipment.
- 20 lakh youth will be skilled over a period of 5 years period, in collaboration with state governments and industry
- E-commerce export hubs will be set up in PPP mode to enable MSMEs and traditional artisans to sell their products globally
- DPI applications in the areas of credit, e-commerce, education, health, law & justice, logistics, MSME, services delivery and urban governance.
- Scaling private sector-driven research and innovation to a commercial scale with a financing pool of INR 1 lakh crore.
- A venture capital fund of INR 1,000 crore will be set up for expanding the space economy by 5 times in the next 10 years.
- 270% increased allocation for semiconductors.
- TDS rate on e-commerce operators to be reduced from 1 to 0.1%.
- INR 2 crore allocated for Data Protection Board.
- Sector-wise data under 'Digital India' mission will be created.

Intended Impact

- Skill initiatives will help propel sectors of AI and other emerging tech.
- Local startups and MSMEs will get global exposure.
- DPI in critical sectors will help democratise technology further and scale digitisation to the last mile.
- Focus on space-tech will help India effectuate its tech diplomacy.
- India to become a semiconductors hub by end of decade, in terms of both design and manufacturing.

Expectations towards Viksit Bharat

Emphasis on semiconductors, startups and skilling have been commendable. Going forward, focus on supporting emerging tech startups like AI and blockchain, and mitigating measures on cyber breaches will be key.



Sector at a Glance

- Global Digital fraternity investing heavily on Disruptive Deep Technologies and multidisciplinary OI (Organoid Intelligence).
- The Digital Sector accounts for 7.5% of India's GDP in FY23 and it is expected to contribute 10% to India's GDP by 2025. It is on track to become a US\$ 1 trillion digital economy by 2030.
- India's overall Digital Competitiveness Score of 60 (on 100), ahead of many emerging economies.
- India has emerged as the 3rd largest ecosystem for startups globally with over 1 lakh DPIIT-recognized startups.
- DPI, AI, fintech, blockchain, deep-tech, quantum computing, etc, puts India at the forefront of becoming a tech superpower.
- Industry looks forward to financial aid towards DPDP Act compliance which aids in Ethical AI, Cyber security, rules of Telecom Act, will be key going forward.

Key Companies in Focus

- **Infosys:** With a market cap of INR 6.09 lakh crore and workforce approximately 3.5 lakh. Infosys focuses on IT services, emphasizing digital transformation and AI-driven solutions.
- **HCL Technologies:** With a market cap of INR 4.09 lakh crore, HCL offers IT solutions including infrastructure management and engineering services.
- **TCS:** Revenue of INR 2.4 Lakh Crore in FY 24
- **Zerodha:** One of India's highest profit making startups is Zerodha, which made a profit of INR 2,900 crore last FY.

Expert Opinion



Rajneesh Kumar
Chief Corporate Affairs Officer, Flipkart Group

The budget lays a strong foundation for the IT and tech sector, with a significant allocation of INR 1.48 lakh crore for education, employment, and skilling, alongside targeted support for MSMEs and startups. Initiatives like the DPI for Agriculture and the INR 2 lakh crore Prime Minister's package for youth employment and skilling demonstrate a robust commitment to digitisation and innovation. Moreover, TDS rate on e-commerce operators proposed to be reduced from one to 0.1 per cent will significantly lower the compliance burden for e-commerce platforms and sellers. These will drive growth, foster entrepreneurship, and position India as a global tech leader.



MSME

A budget that focuses on a comprehensive package covering financial, regulatory and technology support will not only ensure holistic development of MSMEs, but help them grow and compete in the global market.



Budget Announcements

- Credit Guarantee Scheme for MSMEs in the manufacturing sector to facilitate term loans.
- Separately constituted self-financing guarantee fund to provide a guarantee cover of up to Rs. 100 crore for each borrower.
- New Assessment Model for MSME credit by Public Sector Banks based on scoring of digital footprints.
- Limit of MUDRA Loans enhanced to INR 20 Lakh from 10 Lakh under the 'Taruin Category'.
- Credit support during 'stress period' through guarantee from a government promoted fund.
- Reduction in the turnover threshold of buyers for mandatory onboarding from INR 500 crore to INR 250 crore on TReDS.
- SIDBI branches in 168 MSME clusters within 3 years to provide direct credit to them.
- Financial support for setting up of 50 multi-product food irradiation units in the MSME sector.
- 100 food quality & safety testing labs with NABL accreditation to be facilitated.

Intended Impact

- Increased access to credit.
- Transformational shift in the credit eligibility of MSMEs will bring a larger MSMEs base for access to credit who are not in the formal accounting system promoting financial inclusion
- Unlocking of working capital as 22 more CPSEs & 7000 more companies will be onboarded on TReDs platform.
- Access to international markets & enhanced market linkages.
- Boost to MSMEs in Textile & Leather sector.

Expectations towards Viksit Bharat



Host of initiatives announced in this budget reaffirms the government's strong focus on emphasizing that MSME forms the backbone of India.

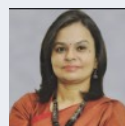
Sector at a Glance

- 4.73 crore MSMEs registered on Udyam Portal, including Informal Micro Enterprises (IMEs) registered on Udyam Assist Platform (UAP). About 20% MSMEs registered on the Udyam Portal are led by women. (As on 20th July'24)
- The share of MSME Gross Value Added (GVA) in India's Gross Domestic Product (GDP) is about 30% (Feb'24)
- The share of MSME manufacturing output in India's manufacturing output is about 36%. (Feb'24)
- The share of MSME exports in India is around 45%. (Feb'24)
- Total employment of 20.47 crore in MSMEs registered on the Udyam Registration Portal and Udyam Assist Platform. (Feb'24)

Key Companies in Focus

- **Gilard Electronics Pvt. Ltd:** One of the leading MSMEs in manufacturing of electronic components, focusing on design & development, production, assembly and quality.
- **Century Pharmaceuticals Ltd:** Leading MSME in manufacturing of APIs for over three decades, with an internal DSIR recognized R&D Unit.
- **The Vending Company:** Manufactures water dispensers and coffee machines for domestic and international sale.
- **Star Safety Hub:** Exclusive manufacturers of certified reflective safety jackets and workwear.

Expert Opinion



Vineeta Hariharan

Founder, Sankassa Foundation, Former Chief of External Missions- Ministry of Micro, Small & Medium Enterprises

Union Budget 24-25 while acknowledging the fact that MSMEs form the backbone of the Indian economy have granted several incentives for their further advancement. For instance, the introduction of reforms such as enhanced ease of doing business for MSMEs, increasing access to finance, as well as the credit guarantee scheme, by pooling of credit risks of manufacturing-based MSMEs. In addition, a new assessment model proposed for MSME credit risk assessment by public sector banks by adopting a scoring based on digital footprints will enable many MSMEs who do not have formal accounting systems to be included in the banking networks, thereby promoting financial inclusion of micro-enterprises.

PHARMACEUTICAL

Budget 2024-25 sets a promising course for India's booming pharmaceutical sector. The focus is on supporting biotechnology research and development.



Budget Announcements

- Customs duty exempted for three major cancer treatment medicines (Trastuzumab deruxtecan, Osimertinib and Durvalumab).
- Allocation on biotechnology research and development increased by 120% from INR 500 crore in 2023-24 to INR 1,100 crore in 2024-25.
- PLI for pharmaceutical industry receives a boost of INR 2,143 crore in FY24-25 from 1,696 crore in FY23-24.
- Announced changes in the basic customs duty for X-ray tubes and flat panel detectors for use in medical X-ray machines under the phased manufacturing programme which will reduce the cost by 10-20%.

Intended Impact

- Strong push toward affordability by reduction of Customs Duty from 3 cancer drugs and reduction of BCD on X-ray tubes and flat panel detectors.
- Increase in PLI in Pharma sector to boost production and employment generation.
- Boost in research and innovation to further strengthen India's positioning as Pharmacy of the world.

Expectations towards Viksit Bharat



The steady increase in budgetary allocations towards PLI and research support reaffirms the government's strong focus in strengthening the pharma sector production and export and employment generation.

Sector at a Glance

- India holds the 3rd position in overall pharmaceutical production. Pharma sector's share in country's exports increased to 6.4% in FY24, with exports rising from INR 1.5 lakh crore in FY19 to INR 2.3 lakh crore in FY24.
- World leader in production of low cost vaccines accounting for 60% of the production and 20% of global share in exports.
- The industry is projected to touch INR 10.8 lakh crore by 2030 and INR 37 lakh crore by 2047 as part of the India@100 vision.
- The Union Cabinet approved the National Medical Devices Policy 2023 to boost medical device sector and ensure affordable and quality devices.
- FDI equity inflow of INR 1.8 lakh crore from Apr 20-Mar 24 accounts to 3.4% of total inflow across sectors.

Key Companies in Focus

- **Sun Pharma:** 4th largest specialty generic pharmaceutical company in the world with global revenues of INR 44,820 crore.
- **Cipla:** Cipla and Orchid Pharma have joined hands to launch new antibiotic drugs for the country. With a net profit of INR 1056 crore, reported 32% increase in net profit in Dec'23.
- **Zydus Lifesciences Ltd:** Company launched 29 new products and got 46 new product approvals in the US market in previous FY. They also reported profit of INR INR 1,182.3 crore in quarter ending Dec23.
- **Dr. Reddy's:** Published revenue of INR 27,805 crore (FY24) and EBITDA of 29.7%.

Expert Opinion



Himanshu Baid

Chairman, CII National Medical Technology Forum and Managing Director, Poly Medicare Ltd

We welcome the Union Budget's focus on Pharma and Healthcare, marking a pivotal step in enhancing accessibility and quality in India. The Finance Minister's changes in customs duty for X-ray tubes and Flat panel detectors address a long-standing request of the CII National Medical Technology Forum, bolstering local manufacturing and self-reliance in medical technology. The exemption of basic customs duty on three cancer treatment medicines is a commendable move towards improving affordability and availability. These signify significant progress towards innovation in Pharma and Healthcare.

TEXTILES

A budget that provides strategies to boost the manufacturing capabilities, promote exports and support innovation. Local artisans have also been considered.



Budget Announcements

- Added to the list of Exempted Goods for manufacture of leather and textile garments, footwear and other leather articles for exports.
- Reduced Basic Custom Duty (BCD) on real down-filling materials from duck or goose.
- Reduced BCD subject to conditions on Methylene Diphenyl Diisocyanate (MDI) for spandex yarn manufacturers from 7.5 to 5%.
- Credit Guarantee Scheme and policies for MSMEs in the manufacturing sector.
- Improved capabilities of artisans and craftsmen through continuing schemes such as PM Vishwakarma.
- E-commerce Export Hubs to be set up for enabling MSMEs and traditional artisans to sell their products in international markets.

Intended Impact

- Enhanced export competitiveness, facilitation of trade and export-related services through E-commerce Export Hubs and reduction in BCD.
- Rectification of duty inversion for spandex yarns to streamline the taxation in value chain.
- Improved financial assistance for MSMEs.
- Inclusive development through employment and upskilling of artisans, craftsmen, and weavers.
- Improved cotton production and stable pricing might result from emphasis on agriculture R&D.

Expectations towards Viksit Bharat



The focus on encouraging exports and manufacturing, initiatives for MSMEs and a higher budget allocation reaffirms the government's strategy for Textiles sector.

Sector at a Glance

- India's Textile sector has a 11.6% share in India's overall exports and makes up about 2.3% share of India's GDP. It was valued at approx. INR 19 lakh crore in 2024 and is also the 2nd largest employer in India.
- Key government policies including PM MITRA Park Scheme, National Technical Textiles Mission, PLI Scheme, National Handloom Development Programme and Scheme for Integrated Textile Parks aim to boost exports and strengthen manufacturing capabilities.
- The textile sector is predominantly led by MSME units.
- India's textiles and apparel market is projected to grow at a CAGR of 10% to reach approx. INR 29 lakh crore by 2030.

Key Companies in Focus

- **Aditya Birla Fashion and Retail Ltd. (ABFRL):** India's 1st billion dollar pure-play fashion powerhouse.
- **DCM Nouvelle:** INR 870.33 Crore Revenue in FY23, 157,872 spindle capacity, Exports to 30+ countries.
- **Welspun Living:** Revenue of INR 550 Crore in FY23, presence in 500+ towns. Aims for 50,000+ retail units by FY26.
- **Raymond:** INR 7,796 crore revenue in FY23-24. 20,000+ customer touchpoints across 600+ cities. Exports to 45+ countries.
- **Arvind Ltd:** Revenue of INR 7,738 Crore in FY23-24. 87% contribution of sustainable cotton.

Expert Opinion



Hemant Bharat Ram
Executive Director, DCM Nouvelle

Rising cost of raw cotton due to increase in cotton's MSP, coupled with stagnating cotton productivity poses a challenging environment at present, as Indian cotton is non-competitive globally. Furthermore, it may lead to a potential decline in textile exports. However, the budget's focus on investing in textile technology R&D initiatives, building manufacturing capacities and enhancing agricultural infrastructure is a welcome step for the Industry. It would aid in mitigating the challenges and strengthening the textiles' export ecosystem.



TOURISM

A budget that promotes India's heritage complemented by physical and social infrastructure



Budget Announcements

- Development of Vishnupad Temple Corridor and Mahabodhi Temple Corridor into world class pilgrimage and tourist destinations, modelled on the Kashi Vishwanath Temple Corridor
- Comprehensive development initiative for Rajgir (a site of religious significance to Hindus, Buddhists and Jains)
- Road connectivity projects: Bodhgaya, Rajgir, Vaishali and Darbhanga.
- Development and revival of Nalanda as tourist centre.
- Fostering a wide range of tourist sites in Odisha comprising of historic and natural heritage.
- Simplified tax regime for foreign shipping companies operating domestic cruises in India.

Intended Impact

- Promotion of tangible and intangible heritage alongside connectivity with mainstream industry to have multiplier effect
- Corridor-centric development becoming a mainstream model for tourism destination development site
- Improved and renewed interest in older sites of Buddhist and Jain religions
- Rediscovery of tourism potential in states such as Bihar and Odisha
- Improvement in allied infrastructure
- Promotion of domestic cruise industry

Expectations towards Viksit Bharat



Tourism sector expected to grow rapidly alongside participation of allied industries to create a multiplier effect for economic growth

Sector at a Glance

- Travel and tourism industries contributing 9.1% to the India's GDP.
- According to WTTC, over the next decade, India's Travel & Tourism's GDP is expected to grow at an average of 7.1% annually.
- The travel market in India is projected to reach approx. INR 10,375 billion by FY27 from an estimated approx. INR 6,225 billion in FY20.
- International tourist arrivals are expected to reach 30.5 million by 2028.

Key Companies in Focus

- **State Tourism Corporations of Bihar & Odisha:** Expected to receive new sources of revenue and generate employment
- **IRCTC:** Likely to gain in terms of new train routes and affiliated services being introduced on these lines
- **Private Aggregators (eg, RedBus, MakeMyTrip, etc)** will increase revenues through wider tourism opportunities and interest
- **Infrastructure companies (eg, L&T, Tata Projects):** Increased opportunities from developing heritage corridors

Expert Opinion



Gurmeet Sangha Rai
Founder and Director, CRCI

The emphasis of this Budget on the development of heritage corridors extends to progress in education, industry and road infrastructure within these corridors. I see this as a stepping stone towards heritage sensitive development, which has at its heart livelihoods as well as responsiveness to the challenges of climate change. Through these initiatives, India has the opportunity to learn from its past and draw on traditional knowledge embedded within our 'Virasat' to inform the ambition of a Viksit Bharat by 2047.

URBAN DEVELOPMENT

A budget that embraces a comprehensive and holistic strategy that outlines a blueprint for Sustainable, Inclusive, and Progressive Urban Development in India



Budget Announcements

- Cities as Growth Hubs: To be achieved through economic and transit planning, and orderly development of peri-urban areas utilising town planning schemes.
- Creative brownfield redevelopment of existing cities with a transformative impact.
- Housing needs of one crore urban poor and middle-class families will be addressed with an investment of INR 10 lakh crore.
- Transit Oriented Development plans for 14 large cities with a population above 30 lakh will be formulated.
- Promotion of water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects.
- Enabling policies and regulations for efficient and transparent rental housing markets.
- Scheme to support each year, the development of 100 weekly 'haats' or street food hubs in select cities, over the next five years.
- Reforms in terms of (1) Land-related reforms and actions, both in rural and urban areas, covering (a) land administration, planning and management, and (b) urban planning, usage and building bylaws, (2) GIS based digitisation of Land records in urban areas, and (3) moderation of stamp duty in urban areas, especially for women led properties.

Sector at a Glance

- The urban areas in India contribute close to 70% to GDP.
- By 2036, its towns and cities will be home to 600 million people, or 40 % of the population
- Urbanization expected to reach 35% by next census enumeration (2024-25)
- In next 10 years, Urban Infrastructure demands to invest around INR 69 lakh crore - an average of INR 4.5 lakh crore or 1.2 percent of GDP per annum.
- Central and state governments finance 72% of urban infrastructure.

Intended Impact

- Ensuring that investments made into urban infrastructure also translate into economic outputs.
- Reforms in spatial planning are used to deliver more tangible results on the ground.
- Emphasis on bankable projects as opposed to dependency on State funding.
- Increased resilience and self sustainability of local Government finances & administration.

Expert Opinion



Hitesh Vaidya

Former Director, National Institute of Urban Affairs (NIUA)

India's "Nav Nirman ke Nau Kadam" budget, inspired by ancient principles of creation, preservation, and regeneration, sets a path towards development. Focusing on economic growth, inclusivity, and sustainability, it aims to preserve cultural heritage and street markets, promote rental housing and industrial parks, regenerate cities, reduce stamp duty, and encourage balanced regional growth through transit-oriented development. Emphasizing climate adaptation and urban governance improvements, the budget seeks streamlined planning, efficient land administration, and modernized bylaws. Success depends on tangible results and measurable impacts, marking a critical opportunity for sustainable and inclusive growth in India.

Expectations towards Viksit Bharat



The decision for new cities is a welcome step and focussed investment towards WASH will lead to accelerated sustainable urban development.



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Chief Executive Officer



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Co-Founder and
Chairperson



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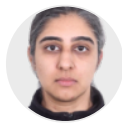
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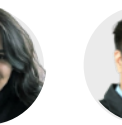
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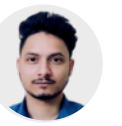


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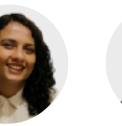
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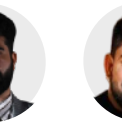
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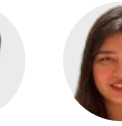
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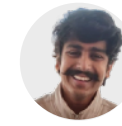
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