

INTERIM 2024 BUDGET 2025



1ST FEBRUARY 2024



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पाँच सौ रुपये

INDIA'S ECONOMIC REBOUND SHINES BRIGHTLY OVER THE LAST DECADE, SHOWCASING REMARKABLE RESILIENCE AMID UNPRECEDENTED ADVERSITY

Over the past decade, India has undergone a remarkable transformation fuelled by the tenets of good governance. The unwavering commitment to transparency, accountability, and efficiency in public administration has propelled India from the 10th to the 5th largest global economy and it is well on its way to becoming the 3rd largest by 2028. It is very gratifying that the government through its pragmatic and foresighted policies has achieved a noteworthy 7%+ growth rate despite facing a difficult global landscape. This is a testament to the country's growing economic strength amid a challenging global environment, emblematic of the nation's burgeoning economic prowess.

The last ten years have borne witness to India's compelling growth story, characterized by resilience, innovation, and foresight. Confronted by unprecedented challenges like the Covid pandemic and geopolitical conflicts, India's economy has showcased an extraordinary ability to rebound, turning adversity into opportunity. Structural reforms implemented during this period have bolstered macroeconomic fundamentals, positioning India as the fastest-growing economy among G20 nations.

As we look towards the future, the outlook for the Indian economy is very promising. Experts predict that we will maintain a robust growth rate of 7% or above for the fiscal year of 2024, and even for the following fiscal year of 2025. This is a notable accomplishment, as it will mark the fourth consecutive year of 7% real growth since the onset of the pandemic. Such consistent growth clearly demonstrates the strength and immense possibilities of the Indian economy.

The journey towards inclusive development reflects positively on the financial health of Indian households. Under the Jan Dhan Yojana, 51 crore bank accounts now hold deposits exceeding ₹2.1 lakh crore, with over 55% of them owned by women. The extension of the Pradhan Mantri Garib Kalyan Anna Yojana for five more years until December 2028 further underscores the government's commitment to the welfare of 80 crore citizens.

Furthermore, the strides in women's participation and growth across various sectors are noteworthy. Progressive reforms, including the PM Jan Dhan Yojana and initiatives like Skill India, Start-Up India, and Stand-Up India, have substantially increased female participation in human capital formation.



TARUN BAJAJ

Former Secretary, Department of Revenue and Department of Economic Affairs
Government of India

Integral to this transformative journey is the simplification of regulatory frameworks and significant changes in the taxation ecosystem since 2014. Reforms such as the unified Goods and Services Tax (GST), reduction in corporate and income tax rates, and the exemption of sovereign wealth funds and pension funds from taxes have lightened the tax burden on individuals and businesses, eliminating distortionary incentives. The emphasis on progressive reforms for the MSME sector has supported smaller businesses in recovering from the pandemic's impact and fostering growth.

I believe India stands resilient amid global economic uncertainties. Timely and effective policy actions, coupled with substantial investments in public infrastructure, have fortified the nation against domestic and global challenges, ensuring a steadfast progression. As we enter the 'Amrit Kaal,' it is essential to continue these efforts. Prioritizing advancements in technology, particularly in areas like artificial intelligence, and implementing stronger governance practices will be key in propelling India towards holistic and inclusive development. Overall, India radiates confidence in overcoming emerging disruptions, symbolizing a journey from vulnerability to resilience and fortitude.

THE LACK OF SURPRISES IN THIS BUDGET, DESPITE BEING AN ELECTION YEAR, WAS THE BEST SURPRISE

The budget's foundation is firmly anchored in four pivotal pillars: a robust focus on capital expenditure to catalyse a multiplier effect across various sectors of the economy; a strategic emphasis on prudent fiscal consolidation for maintaining financial discipline while still mobilizing resources for critical developmental needs; a suite of initiatives aimed at fostering equitable growth and progress for inclusive development; and the approach to policymaking that echoes global economic development. These pillars are not just nominal elements but are integral to the government's strategy of driving sustainable development and for the country to emerge as a production-based economy. To translate these ambitious pillars into tangible outcomes, we have identified six areas that the budget meticulously outlines for realising a 'Viksit Bharat 2047':

Private Investments are an essential criterion for managing government borrowings: The government expects fiscal deficit in 2024-25 to be 5.1 percent of GDP, a commendable approximation for its intended goal. The 2024-25 budget shows lower market borrowings than last year, indicating efforts to boost public finances and the private sector. This plan supports the rise in private investments, showing a focus on increasing credit access for the private sector.

Focus on Sectors like Climate and Women Participation in the Economy are Avenues of Long-term Growth: Measures announced for climate resilience will be essential for countering India's concerns and achieving the larger net-zero goals. Realisation towards a 'Blue Economy' and implementation of 'Green alternatives' like bio-manufacturing and bio-foundry will help transform the consumption manufacturing paradigm. Moreover, the government's commitment to women's empowerment, evidenced by significant strides in entrepreneurship, education, and legal rights, is set to revolutionize the role of women in India's long term socio-economic fabric.

Health Sector is a Key Priority for Achieving the Status of a Developed Nation: India, with its significant global healthcare footprint realised through its efforts during COVID and being the pharmacy of the world, is taking commendable steps towards reforming child and maternal care. This focus on such fundamental reforms is key to India's journey towards becoming a developed nation. By strengthening these areas, India aims to build a resilient young population better equipped to handle future health challenges. The success of these reforms hinges on enhancing the health infrastructure by ensuring accessible health service delivery points, and highlighting Make in India efforts at a global level.

Robust MSME Development is Crucial to Realise India's \$7 trillion Economy Goal: Government's announcement of relooking at regulatory environment for the MSME sector is an epithet for India's industrial growth. In a country of over 6 crores plus MSMEs, the policy priorities on timely and adequate finances, relevant technologies and appropriate training will streamline the sector's growth prospects and help them scale and compete globally. The next stage of capacitating and developing MSMEs will be the most important policy 'black box' globally, where India needs to take the leap in the global south.



NILAYA VARMA

Co-Founder and CEO

Primus Partners

Initiatives for an IP led Economy will Push India upwards the Global Innovation ladder: The Interim budget charts a roadmap for what the technology sector can expect – India as a leading entrepreneurship hub, a separate corpus for research and development by private sector which will help foster more innovation, credit guarantee schemes for start-ups that will help them in credit risk mitigation, empowering GIFT City which will attract global capital and efficient financial services, and overall reforms towards Ease of Doing Business would be guiding paths towards realising India's \$1 trillion digital economy ambition.

Leveraging India's Rich Culture will make it the next Tourism Destination of the World: Building on the success of hosting G20 meetings, India is at the right position to India needs to revitalize its tourism sector to better cater to global tourists. These events have already enhanced India's global image, showcasing its cultural diversity and potential as a prime destination for business and leisure tourism. To capitalize on this momentum, there's a need for more aggressive global marketing and development of tourism infrastructure. The government's initiative to develop iconic tourist centers, provide interest-free loans for such projects, and improve infrastructure will attract more visitors, both domestic and international. This will not only boost the tourism sector but also create employment opportunities.

SHAPING INDIA'S DEVELOPMENT THROUGH EDUCATION AND HEALTHCARE SECTOR

As India marked the beginning of the "Amrit Kaal" era in the 2023-24 budget, paving the way for India's centennial independence in 2047, the global community acknowledged the Indian economy as a 'bright star,' with a projected economic growth of 6.5% among major economies for the year to come. In anticipation of the Budget 2024-25 our hope lies in further upgrading two key sectors education and healthcare—two essential pillars for the nation's long-term development.

The Interim-budget for 2024-25 speaks volumes in the paradigm shift in the way we approach education—especially with girls. 28% increase in female enrolment in higher education in the last ten years and girls & women constituting 43% of enrolment in STEM courses—one of the highest in the world is a testament to this and provides momentum to India's global narrative for women led development.

Further, with NEP 2020's holistic approach on a smooth transition of the youth to the evolving job market, the budget's Amrit Peedhi focus towards adding quality institutions of learnings along with Skill India Mission is a noteworthy mention. One interesting aspect that stood out was the budget's focus on innovation as the foundation of development through "Jai Jawan Jai Kisan Jai Vigyan and Jai Anusandhan" through which the budget announced a corpus of Rs.1,00,000 Crores to scale up research and innovation. With India currently spending 0.65% of its GDP on R&D, this corpus encourages the education and private sectors to develop an R&D oriented curriculum and unlock the potential of youth from the tried and tested *jugaad* towards deep tech, AI, ML and the rest.

On healthcare, I congratulate the humane approach of this budget in extending Ayushman Bharat scheme to all ASHA workers, Anganwadi Workers and Helpers—who are the bedrock of last mile healthcare services delivery. The government's thrust on women empowerment at all levels is again made visible in this budget through its vaccination programme for girls in age group of 9 to 14 years for prevention of cervical cancer and soon to roll out U-WIN platform for intensifying its efforts of Mission Indradhanush.

The interim-budget has given us a sneak peek into the July 2024 budget. India must prioritise focus on developing its human capital through sustained investment in healthcare, education and R&D, since this enables a just transition of our nation to a high trajectory of innovation lead growth, creating jobs & opportunities in a world facing rapid developments and changes amidst complex geo-political, social & economic challenges.



DR. AMAR PATNAIK

Member of Parliament
Rajya Sabha

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The interim-budget has given us a sneak peek into the July 2024 budget. India must prioritise focus on developing its human capital through sustained investment in healthcare, education and R&D.

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EMPOWERING INDIA'S TRILLION-DOLLAR ASCENT

It is with great pleasure and optimism that we commend the government's unwavering dedication and strategic initiatives outlined in this budgetary framework. As we embark on the journey towards India's envisioned trillion-dollar economy, the foresight and determination displayed through initiatives such as 'Make in India' and 'Make for the World' are truly commendable. With the vision of 'Viksit Bharat' and modern infrastructure has been instrumental in India's growth story.

The commitment to bolster nation's infrastructure, exemplified by the 33% increase in capital expenditure in previous years budget, which laid a robust foundation for economic growth and employment creation. With a clear focus on infrastructure development, even in this Budget 2024-25 the outlay for the next year is being increased by 11.1 per cent to INR 11,11,111 crore which is about 3.4% of the GDP.

Projects like the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) and the implementation of Production Linked Incentive (PLI) schemes are pivotal in driving domestic manufacturing and fostering innovation. Moreover, the Gati Shakti National master plan's ambitious goal of enhancing multimodal connectivity infrastructure across economic zones promises to catalyze holistic development. Announcement of three major economic railway corridors which have been identified under the PM Gati Shakti for enabling multi-modal connectivity will improve logistics efficiency, reduction in logistics cost, thereby accelerating the GDP growth.

This budget's emphasis on sectors like green energy, aviation sector, railways, metro rail and NaMo Bharat, will act as a catalyst for urban transformation. Advancements in AI & Blockchain underscores India's resolve to excel in the digital era. Focus on research and innovation in the sunrise sectors complements the advancements in emerging technology. A corpus creation of one lakh crore with fifty-year interest free loan will encourage research, development and innovation in sunrise sectors thereby catalysing growth, employment and development.

India has experienced a global era while we talk about foreign investments. The FDI inflow during 2014-23 was USD 596 billion which twice the inflow during 2005-14. With a spirit of 'First Develop India' and to ensure sustained foreign investments, negotiations around bilateral investment treaties is being undertaken which will act as a boom to the industrial ecosystem.

In essence, this budgetary blueprint transcends mere fiscal allocations; it symbolizes a visionary roadmap towards inclusive growth and global competitiveness. In the words of Welspun, it is a call to "leap and go beyond," envisioning change, harnessing potential, and expanding horizons in preparation for the transformative 'AMRIT Kaal'.

As we collectively embrace this spirit of progress and innovation, let us march forward with determination and optimism, towards a future where India stands tall as a beacon of prosperity and opportunity.



BAL KRISHAN GOENKA

Chairman
Welspun Group

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This budget's emphasis on sectors like green energy, aviation sector, railways, metro rail and NaMo Bharat, will act as a catalyst for urban transformation.

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THE BUDGET IS FUTURISTIC, CONSISTENT AND RESPONSIBLE

The 2024-25 budget summarises the remarkable transformations that Bharat witnessed in the last decade and provides a trailer to the incoming years that are laser focused towards fulfilling the aspirations of our *Garib, Mahilayen, Yuva and Annadata*.

Without succumbing to the temptation of announcing freebies and revadis given that it is an election year, the government has fearlessly exhibited its nation first mantra with continued commitment to building a Bharat that is driven by development and social mobility of its citizens. Further, it's a well structured budget that takes a whole of nation approach for well-rounded development of Bharat.

Despite having record inflow of \$596 billion FDI in the last decade, the government, with a First Develop India approach has shown seriousness towards the achieving a \$5 trillion economy and becoming top 3 economies of the world by increasing its Capital Expenditure Outlay by 11.11% to Rs. 11,11,111 crores. This is bound to draw national and global investors to Bharat. State governments have been amply accommodated in this development story wherein a 50 year interest free loan of Rs. 75,000 crores has been allocated to states to support milestone-linked reforms. This is cooperative federalism at its finest.

It is laudable to see many future oriented measures of this budget. Realising the importance of R&D and innovation as they key drivers of any aspiring global economy, the budget rightfully announced a Rs. 1,00,000 crores corpus with a 50 year interest free loan to encourage private sector to scale up R&D significantly in sunrise domains. It is important to note that such corpus funds are what truly create Aatma Nirbhar Bharat as technological independence increases our resilience and reduces our dependence on foreign IP.

Aligning with Bharat's ambitious Panchamrit Plans aimed at intensifying Bharat's climate action, the budget has not shied away from decarbonisation of its economy and its Net Zero 2070 commitments. Its announcement of enabling 1 crore households through rooftop solarisation & free electricity; VGF to harnessing offshore wind energy; coal gasification and liquefaction by 2030; mandatory blending of CBG in CNG; Blue Economy 2.0 and scheme on bio-manufacturing and bio-foundry shows Bharat's unflinching commitment to tackling climate change and honouring its international commitments at G20 and COP.

This government's continued push for women led development, women empowerment and Nari Shakti has been dominant in this budget. It is heartening to note that the last decade of education reform has today resulted in 43% of girls and women enrolled in STEM courses; 28% increase in female enrolment in higher education and 30 crore Mudra Yojana loans handed to women.



VIVEK SINGH

Former OSD to the Hon'ble
Finance Minister,
Government of India

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THE BUDGET IS FUTURISTIC, CONSISTENT AND RESPONSIBLE

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Even here, the government, relentless in its pursuit to empower women to the fullest has announced through this budget to encourage vaccination for girls in the age group of 9-14 to prevent cervical cancer.

The welfare of poor, which has been central to this government has shown significant positive results as the government has alleviated 25 crore people from multi-dimensional poverty. The proof is in the numbers as the government has transferred 34 lakh crore via DBT; provided credit assistance to 78 lakh street vendors; direct financial assistance to 11.8 crore farmers; crop insurance to 4 crore farmers and continued provision of food assistance to 80 crore of its citizens.

The government's social welfare measures have also gone hand in hand without stifling private sector growth and the numbers prove this story. This is the Bharat story that is unique to us. In the last ten years, Corporate taxes have decreased from 30% to 22%; direct tax collections have increased by more than 3 times and return filers increased by 2.4 times and tax base of GST more than doubled with average monthly gross GST collection doubled to Rs. 1.66 lakh crores.

As the world's largest democracy, Bharat's journey surges ahead with a saturation approach of covering and delivering benefits and resources fairly to all eligible people. This indicates the true and comprehensive achievement of social justice of this government. As rightfully said by the Hon'ble Finance Minister, *'This is secularism in action, reduces corruption, and prevents nepotism'*.

In conclusion, Bharat is now the global driver of the world economy with a holistic co-existence of Aatmanirbhar Bharat and Vasudhaiva Kutumbakam. My best wishes to the government in arriving at the goal of Viksit Bharat.



VIKSIT BHARAT BUDGET - WEAVING INDIA'S GROWTH STORY

The FY 2024-25 budget comes with the strong base of 7% growth that India has achieved in the last fiscal. This augurs well for our nation as we are headed in the right direction towards a 'Viksit Bharat' or developed India. The pace and hunger for development that India has displayed and proven to the world puts us on a strong footing to achieve the ambitious target of USD 30 trillion by 2047.

India's economic landscape has leapfrogged with many important initiatives that the Government of India has taken in more than five years. And these initiatives are testimonial to the fact that world leaders are seeing India as a fast-emerging superpower in economic growth, infrastructure development, science & technology, tourism and finance.

This is just the beginning of India's Golden Era, attracting FDI, world class brands, a booming automobile sector and a commercial vehicles industry on an upward trajectory.

Infrastructure sector has proved to be a major contributor to India's high growth story and will be a key enabler in realising the USD 5 trillion economy. This requires continued investment in the digital public infrastructure, logistics, and railways, amongst others. Recent initiatives towards growth and infrastructure development, policy formulation such as "National Infrastructure Pipeline", and "Gati Shakti" have played a crucial role in the overall infrastructure creation in the country. The Government's budget outlay for infrastructure development projects has been raised by 11.1% to INR 11 lakh Crore, which shows government's determination of providing state-of-the-art infrastructure to the citizens.

In preparation to make India a global manufacturing hub, Government of India's PLI schemes have played a crucial role. This initiative has benefitted a large section of the manufacturing industry and is an encouraging move to ensure ease of business with a vision of Viksit Bharat. Initiatives like Raising and Accelerating MSME Productivity (RAMP) have not only encouraged domestic manufacturing and entrepreneurship but also created job opportunities and fostering a culture of innovation.

Achieving net zero carbon emissions by 2070 and meeting 50% of the electricity needs from renewable sources by 2030 are ambitious but important projects. The recently launched Pradhan Mantri Suryodaya Yojana for incentivising households to install solar rooftops is an innovative idea in this direction. The interim budget also highlights some significant steps towards this goal including a high-capacity coal gasification and liquefaction set up by 2030, as well as phased mandatory blending of CBG, CNG and PNG.

FDI flow in India has nearly doubled in the last decade, to a current USD 596 billion, and for it to continue to be a key driver of economic growth, easing FDI regulations stands at the very cusp. The 'First Develop India' approach poses a promising future on that front.



SATYAKAM ARYA

Managing Director & CEO

Daimler India Commercial Vehicles

The Automotive sector has also etched a great story for India, and both Hybrid and EV will be major drivers for the sector to grow and prosper. Initiatives like the Faster Adoption of Manufacturing of Electric Vehicles Scheme – II (FAME – II) and the Production Linked Incentive Scheme (PLI) have already been launched for electric vehicle manufacturers. Notably, the budget allocated INR 51.72 billion (approximately \$ 631 million) for the FAME-II scheme, signifying an 80 percent increase from previous years. The implementation of the Scrapage Policy this year has the potential to change the dynamics of the passenger vehicle and commercial vehicle industry, boosting production and retail of new and pre-owned cars, trucks and buses.

The services sector has been a major contributor to India's GDP. The simplification of regulatory regime through e-governance initiatives will further strengthen the sector.

While the measures implemented, and announcements made in the budget inspire optimism it is crucial to maintaining these efforts and endeavours by tapping into the burgeoning climate of investment and trade opportunities. Extensive focus on technological advancements and enhanced governance practice will be the driving force behind India's journey towards comprehensive and inclusive development.

This year's interim budget delves into the myriad contributors to India's economic development and is deftly weaving the interconnected themes of growth for a resurgent India.

INDIA'S INTERIM BUDGET 2024 – WHAT IT MEANS FOR DIGITAL AND DEEP TECH

Despite their transient nature, Interim Budgets serve two important purposes. In the first place they indicate the state of performance of the economy in the preceding financial years. Secondly they provide pointers on core programmes of the country which are non-reversible.

Despite criticisms that the India's interim budget 2024 has not addressed the issue of shrinking job markets, there are a few aspects of the Budget that appear positive. The first welcome point is that the macroeconomic health of the country is reasonably robust, with fiscal deficit pegged at 5.1% of the GDP during 2024-25, which is well below the '6% fiscal deficit rate' that pundits were predicting for the year. The second welcome point is that the quest for poverty eradication is gaining greater momentum in the country, with 25 crore people uplifted from poverty in the preceding decade and more efforts in the offing. Progress on this front is attributed, by and large, to the success of direct benefit transfers to Jan Dhan accounts.

Three Noteworthy Indications

From the Digital / Deep Technology point of view, there are a few noteworthy indications. In the first place capital expenditure is budgeted to be Rs 11.5 lakh crores in 2024-25, up from Rs 9.5 lakh crores clocked in 2023-24. When coupled with the Rs 1 lakh crores strong, 50 year long, 'zero-interest', 'Research Fund' which is being created to help tech savvy youth contribute to sunrise sectors, one sees that Digital/ Deep tech startups (including Defence tech and AI) are in for a major push in the country. With India's Digital Personal Data Protection Act in place, we can expect a good chunk of this Research Fund being utilised for assisting startups that specialise in data security and data monetization tools.

The second positive point of the Interim Budget is the push given to accelerate credit disbursement to the unorganised poor (like street vendors, artisans amongst others) as well as to small and marginal farmers. As the spread of the scheme extends to more segments of the unorganised sector, it will be logical to expect the Digi Locker facility to gain further traction, thus enabling unorganised poor to access digital technologies to protect their data.

The third welcome thrust of the Interim Budget is the emphasis on agriculture in general and deep agricultural technologies in particular (including Nano DAP and Nano Urea), which could possibly lead, in future, to the development and dissemination of scalable IoT based technologies in farming, resulting in improved crop husbandry and water efficient farming practices. This is not an impossible dream to realise, given the progress of India's National Semiconductor Mission and PM Modi's emphasis on the mission turning out products that touch the lives of people.



PROF. A. DAMODARAN

Senior Visiting Professor
ICRIER-Prosus Centre for Internet and Digital Economy



With India's Digital Personal Data Protection Act in place, we can expect a good chunk of this Research Fund being utilised for assisting startups that specialise in data security and data monetization tools.



Galvanising existing enablers as we move forward

For the three positive features of interim Budget 2024 to be realised, it is essential that the Government gives further fillip to the following three programmes/facilities that are actively planned or already in existence. These include the quest for universal telecom coverage, harnessing of AI capabilities in accordance with the India's AI priorities and the India Data Sets programme (IDSP).

- **Universal Coverage of Telecom/Internet Network**

The reach of Digital Public Infrastructure (DPI) in India needs to be rapidly scaled up for the Interim Budget's welfare schemes to succeed. For this, it is essential that telecom networks attain universal coverage in the country coming two years. The Digital Bharat Nidhi (fund) needs to be galvanised to enable India's state-of-art telecom services reach regionally disadvantaged areas.

- **Harnessing AI Capabilities**

India's AI vision emphasizes the importance of building an AI ecosystem for the country, comprising of the Cloud, AI Research and AI skilling programmes. Such an ecosystem will provide a big push to the Research Corpus fund announced in the Interim Budget, by encouraging creative AI projects, including projects that aim to develop small language models that are customised to Indian conditions.

- **User Empowering IDSP**

The IDSP is envisaged under the proposed National Data Governance Framework (NDGF) to be a data repository and access platform that garners anonymised data from diverse sources and uploads them into the repository for access by India researchers and the industry.

Much of India's push in Generative AI will depend on our success in bringing down the costs of data utilised for training Foundation Models. It is therefore essential that the NDGF is finalised and the IDSP infrastructure is put in place.

The regular Budget for 2024-25 needs to ensure that the three welcome indications of the Interim Budget 2024 are harnessed by galvanising the three enablers, viz telecom and internet network expansion programmes, India's AI priorities and the proposed IDSP facility.

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INTERIM BUDGET 2024-2025 OVERVIEW

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CURRENT ECONOMIC SCENARIO

Beyond Numbers: A Holistic Approach towards 'Viksit Bharat' - Unveiling Transformative Policies, Economic Recovery, and Strategic Investments

This year budget is a step towards India's long-term vision of achieving "Viksit Bharat" or "Developed India" with a target of reaching a \$ 30 trillion economy by 2047. It reflects a holistic approach that goes beyond mere financial allocations and leverages a whole of country view to push with an all-pervasive, and all-inclusive approach. With black swan events like the pandemic behind us, the government has been pursuing progressive policies that have steered India's economic recovery post-pandemic. These included massive efforts at social protection through food and employment programs and bringing in aggressive industrial policy through PLIs and other incentives for expanding jobs and the overall economy.

This trajectory is poised to elevate the Indian economy to the third largest globally within the next three years.

The rural economy as the bedrock of India's growth story is being increasingly recognised by policy makers. This can be seen in the assurance on MSP to farmers, assistance programs for participation in food processing, and the lakhpati didis driving rural products to cities.

The ramping up of capital expenditure continues in this budget, and stands as a pivotal driver for economic growth, contributing significantly to rising growth rate. In the ongoing fiscal year, the government has proposed a noteworthy 11.1% surge in capital expenditure, representing 3.4% of the GDP. This strategic allocation underscores the commitment to fostering economic development through targeted investments in key sectors and infrastructure projects.

FISCAL DEFICIT

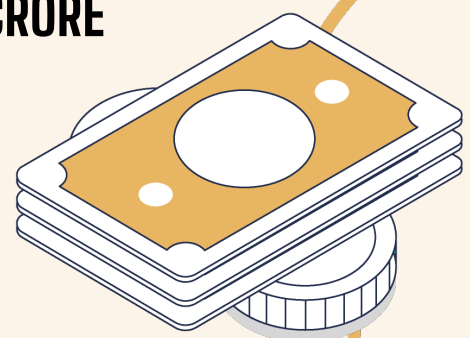
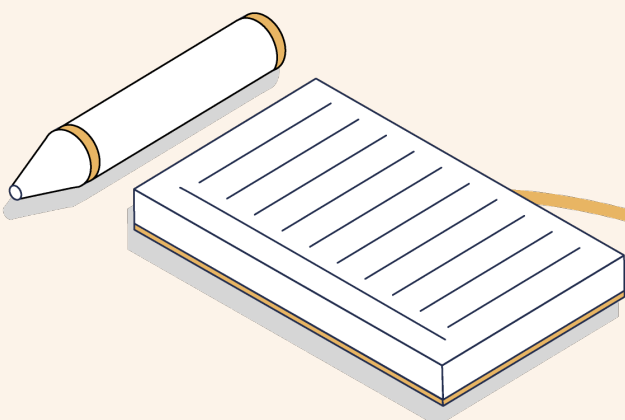
The fiscal deficit is targeted at

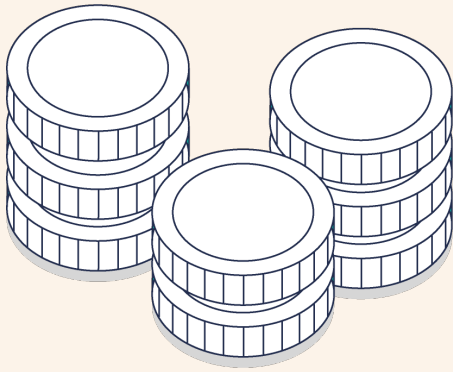
5.1%

EXPENDITURE

The expenditure is targeted at

**INR
47.66
LAC CRORE**





TAX RECEIPTS

FY25 total tax receipts pegged at

**INR
26.01
LAC CRORE**

REVENUE RECEIPTS

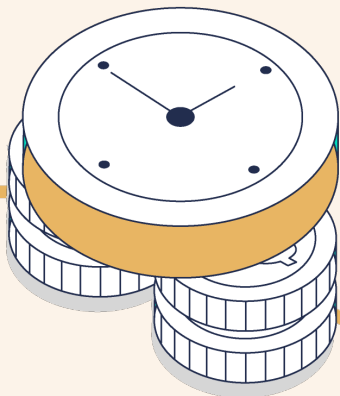
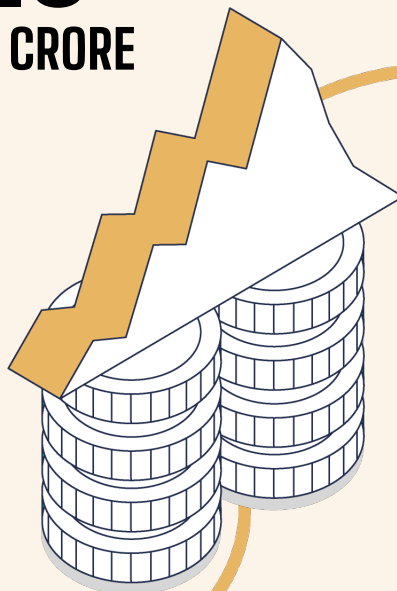
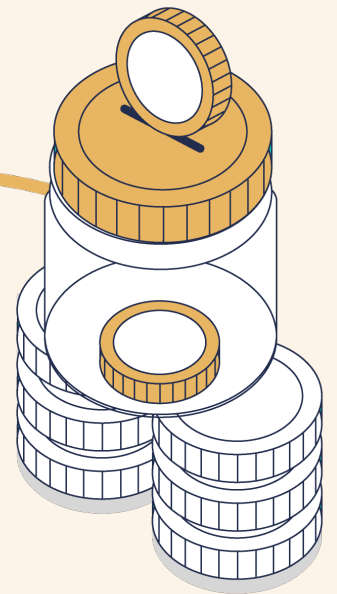
Receipts (excluding borrowing) pegged at

**INR
30.8
LAC CRORE**

CAPITAL EXPENDITURE

The Capital Expenditure is pegged at

**INR
11.0
LAC CRORE**



It is crucial to note that extensive focus on technological advancements and enhanced governance practice will be the driving force behind India's journey towards comprehensive and inclusive development to the journey towards Viksit Bharat. The capitalisation of new funding for R&D will provide a base for further growth of India as a knowledge generator and a magnet for global capability centres, while the interest free fund targeting youth entrepreneurs should fire the growth cycle even in Tier II and Tier III cities.

The focus of development lens is now moving ahead from the gram panchayat and municipalities to the family and the individual. Technology levers now allow this sharp differentiation to be achieved, and the next phase of development will be more sharply focused solutions and support to specific beneficiaries. The elements of this policy are clearly visible in the budget and will drive India's growth story in the coming years.

KEY HIGHLIGHTS TOWARDS VIKSIT BHARAT



1

Strategy for Amrit Kaal - Empowering the Underprivileged & Farmers

- **PM Awas Yojana (Gramin)** - Achieving the target of 2 crore more houses in the next five years.
- **Rooftop solarization and Muft Bijli** - One crore houses to obtain up to 300 units of free electricity per month through rooftop solar tech.
- Formulation of strategy to achieve 'Atmanirbharta' for oil seeds and dairy development.

Research & Innovation for catalysing Growth, Employment & Development

- "Jai Jawan Jai Kisan Jai Vigyan and Jai Anusandhan" slogan as innovation is the foundation of development.
- **INR 30 Cr Mudra Yojana loans** have been given to women entrepreneurs.
- **43 Cr loans** sanctioned by PM Mudra Yojana for entrepreneurial aspirations of youth.
- Corpus of Rs. 1 lakh crore with 50-year interest-free loans for providing long-term financing or refinancing with long tenors and low or nil interest rates.

2



3

Maternal and Child Healthcare for securing Future of India

- Rolling out of **U-WIN platform** for managing immunization and intensified efforts of Mission Indradhanush.
- Upgradation of Anganwadi centres under 'Saksham Anganwadi and Poshan 2.0'.
- Healthcare cover to be extended to all ASHA, Anganwadi workers, and helpers under **Ayushman Bharat**.

Emphasis on Strategic Infrastructure Development to build Future India

- **Implementation of 3 major railway corridor programmes** - (1) Energy, mineral and cement corridors, (2) Port connectivity corridors, (3) High traffic density corridors.
- **Conversion of 40,000** normal rail bogies to Vande Bharat standards.
- Expansion of existing airports and development of new airports.
- Expansion of Metro Rail and NaMo Bharat in large cities focusing on transit-oriented development.

4



5

Nurturing Growth through Green Energy

- **Viability gap funding** for harnessing shore-wind energy potential.
- Coal gassification & liquifaction capacity of 100 MT will be set up by 2030.
- Phased mandatory blending of compressed biogas in compressed natural gas for transport and piped natural gas for domestic purposes will be mandated.
- Launch of a scheme for bio-manufacturing to encourage the production of bioplastics and bio-agri inputs.

Reinforcing the commitment to 'Sabka Saath, Sabka Vikas, and Sabka Vishwas' through Trinity of Demography, Democracy, and Diversity



6

Emphasis on Blue Economy to leverage Aquatic Resources

- Increasing the scope of Pradhan Mantri Matsya Sampada Yojana (PMMSY) by enhancing aquaculture productivity to 5 tons per hectare, doubling exports to 1 lakh crore and generating 55 lakh employment opportunities.
- Setting up 5 integrated aquaparks.

Reforms for States for a 'Viksit Bharat'

- Scheme of **50-year interest-free loan** for capital expenditure, to states will be continued with an outlay of INR 1.3 lakh crore.
- INR 75,000 crore as 50 years of interest-free** loans to support reforms by the State Governments.

7



8

Comprehensive Development of Tourist Centres

- Development of iconic tourist centres, branding and marketing at global scale by the States.
- Projects for port connectivity, tourism infrastructure, and amenities on islands, including Lakshadweep.
- Long-term interest free loans to be provided to States for financing development of tourist centres.

Direct and Indirect Taxes Growth driven by Formalization of Economy

- Direct tax collections have more than trebled and the return filers swelled to 2.4 times.
- Tax base of GST more than doubled and the average monthly gross GST collection has almost doubled to ₹ 1.66 lakh crore, this year.
- Average processing time of returns has been reduced from 93 days in the year 2013-14 to a mere ten days this year

9




10

Focus on Fiscal Consolidation to help fund the Future of India

- Target of 5.1 per cent for FY 2024-25
- Steps being undertaken to reduce fiscal deficit below 4.5 per cent by 2025-26 in order to continue on the path of fiscal consolidation

ALLOCATION TO MAJOR MINISTRIES


MINISTRY OF DEFENCE



Total Budget (FY 24-25)
INR 6,21,540.85 CR

Year-on-Year Change **4.7%** ↑ Increase


MINISTRY OF ROAD TRANSPORT AND HIGHWAYS



Total Budget (FY 24-25)
INR 2,78,000 CR

Year-on-Year Change **2.8%** ↑ Increase


MINISTRY OF RAILWAYS



Total Budget (FY 24-25)
INR 2,55,393 CR

Year-on-Year Change **5.9%** ↑ Increase


MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DIST.



Total Budget (FY 24-25)
INR 2,13,323.37 CR

Year-on-Year Change **3.7%** ↑ Increase

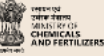
MINISTRY OF RURAL DEVELOPMENT



Total Budget (FY 24-25)
INR 1,80,233.43 CR

Year-on-Year Change **12.7%** ↑ Increase


MINISTRY OF CHEMICALS AND FERTILIZERS



Total Budget (FY 24-25)
INR 1,68,379.81 CR

Year-on-Year Change **5.7%** ↓ Decrease


MINISTRY OF COMMUNICATIONS



Total Budget (FY 24-25)
INR 1,37,255.14 CR

Year-on-Year Change **11.2%** ↑ Increase


MINISTRY OF AGRICULTURE AND FARMERS' WELFARE



Total Budget (FY 24-25)
INR 1,27,469.88 CR

Year-on-Year Change **1.9%** ↑ Increase


MINISTRY OF EDUCATION



Total Budget (FY 24-25)
INR 1,20,627.87 CR

Year-on-Year Change **6.8%** ↑ Increase


MINISTRY OF JAL SHAKTI



Total Budget (FY 24-25)
INR 98,418.79 CR

Year-on-Year Change **1.2%** ↑ Increase


MINISTRY OF HEALTH AND FAMILY WELFARE



Total Budget (FY 24-25)
INR 90,658.63 CR

Year-on-Year Change **1.7%** ↑ Increase

MINISTRY OF HOUSING AND URBAN AFFAIRS



Total Budget (FY 24-25)
INR 77,523.58 CR

Year-on-Year Change **1.4%** ↑ Increase

Note: Year-on-Year change compares Revised Expenditure of FY 2023-24 with Budgeted Expenditure of FY 2024-25

PREVIOUS YEAR VS. CURRENT BUDGET

MINISTRY OF WOMEN AND CHILD DEVELOPMENT

Total Budget (FY 24-25)
INR 26,092.19 CR

Year-on-Year Change **2.5%** ↑ Increase

MINISTRY OF MSME

Total Budget (FY 24-25)
INR 22,137.95 CR

Year-on-Year Change **0.0%** - No Change

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

Total Budget (FY 24-25)
INR 21,385.15 CR

Year-on-Year Change **29.2%** ↑ Increase

MINISTRY OF POWER

Total Budget (FY 24-25)
INR 20,502 CR

Year-on-Year Change **0.8%** ↓ Decrease

MINISTRY OF SCIENCE AND TECHNOLOGY

Total Budget (FY 24-25)
INR 16,603.94 CR

Year-on-Year Change **1.5%** ↑ Increase

MINISTRY OF NEW AND RENEWABLE ENERGY

Total Budget (FY 24-25)
INR 12,850 CR

Year-on-Year Change **25.7%** ↑ Increase

MINISTRY OF TEXTILES

Total Budget (FY 24-25)
INR 4,392.85 CR

Year-on-Year Change **0.1%** ↑ Increase

MINISTRY OF INFORMATION AND BROADCASTING

Total Budget (FY 24-25)
INR 4,342.55 CR

Year-on-Year Change **7.4%** ↓ Decrease

MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

Total Budget (FY 24-25)
INR 3,520 CR

Year-on-Year Change **0.1%** ↑ Increase

MINISTRY OF ENVIRONMENT, FORESTS & CLIMATE CHANGE

Total Budget (FY 24-25)
INR 3,265.53 CR

Year-on-Year Change **6.0%** ↑ Increase

MINISTRY OF TOURISM

Total Budget (FY 24-25)
INR 2,449.62 CR

Year-on-Year Change **2.1%** ↑ Increase

MINISTRY OF CIVIL AVIATION

Total Budget (FY 24-25)
INR 2,300 CR

Year-on-Year Change **26.1%** ↓ Decrease

Note: Year-on-Year change compares Revised Expenditure of FY 2023-24 with Budgeted Expenditure of FY 2024-25

ALLOCATION TO MAJOR SCHEMES



PMGKAY - PRADHAN MANTRI GARIB KALYAN ANNA YOJANA

01

Ministry of Consumer Affairs, Food & Public Dist.

Total Budget (FY 24-25)

INR 1,05,250 CR

Year-on-Year Change

- **New Scheme**



INVESTMENT IN NHAI

02

Ministry of Road Transport and Highways

Total Budget (FY 24-25)

INR 1,68,464 CR

Year-on-Year Change

3.86% ▲ Increase



UREA SUBSIDY

03

Ministry of Chemicals and Fertilizers

Total Budget (FY 24-25)

INR 1,19,000 CR

Year-on-Year Change

9.23% ▼ Decrease



MGNREGA

04

Ministry of Rural Development

Total Budget (FY 24-25)

INR 86,000 CR

Year-on-Year Change

43.33% ▲ Increase



PMAY - PRADHAN MANTRI AWAS YOJANA

05

Ministry of Rural Development

Total Budget (FY 24-25)

INR 80,671 CR

Year-on-Year Change

1.23% ▲ Increase



JAL JEEVAN MISSION

06

Ministry of Jal Shakti

Total Budget (FY 24-25)

INR 70,163 CR

Year-on-Year Change

0.23% ▲ Increase



PM KISAN - PRADHAN MANTRI KISAN SAMMAN NIDHI

07

Ministry of Agriculture & Farmers' Welfare

Total Budget (FY 24-25)

INR 60,000 CR

Year-on-Year Change

0.0% - No Change



NUTRIENT-BASED SUBSIDY

08

Ministry of Chemicals and Fertilizers

Total Budget (FY 24-25)

INR 45,000 CR

Year-on-Year Change

2.27% ▲ Increase

Note: The Year-on-Year change in budget has arrived at basis comparison of the current year's (FY 2023-24) Revised Expenditure with the following year's (FY 2024-25) Budgeted Expenditure.

ALLOCATION TO MAJOR SCHEMES [CONTD.]



NATIONAL HEALTH MISSION

09

Ministry of Health & Family Welfare

Total Budget (FY 24-25)

INR 38,183 CR

Year-on-Year Change

3.80% ▲ Increase



SAMAGRA SHIKSHA

10

Ministry of Education

Total Budget (FY 24-25)

INR 37,500 CR

Year-on-Year Change

0.12% ▲ Increase



MISS - MODIFIED INTEREST SUBVENTION SCHEME

11

Ministry of Agriculture & Farmers' Welfare

Total Budget (FY 24-25)

INR 22,600 CR

Year-on-Year Change

1.74% ▼ Decrease



MTRS & METRO (NOW METRO PROJECTS)

12

Ministry of Housing and Urban Affairs

Total Budget (FY 24-25)

INR 21,336 CR

Year-on-Year Change

7.94% ▼ Decrease



SAKSHAM ANGANWADI AND POSHAN 2.0

13

Ministry of Women and Child Development

Total Budget (FY 24-25)

INR 21,200 CR

Year-on-Year Change

3.14% ▲ Increase



GUARANTEE EMERGENCY CREDIT LINE FACILITY

14

Ministry of MSME

Total Budget (FY 24-25)

INR 10,163 CR

Year-on-Year Change

27.92% ▼ Decrease



PM USHA - PRADHAN MANTRI UCHCHATAR SHIKSHA ABHIYAN

15

Ministry of Education

Total Budget (FY 24-25)

INR 1,815 CR

Year-on-Year Change

- **New Scheme**



CROP SCIENCE FOR FOOD AND NUTRITIONAL SECURITY

16

Ministry of Agriculture and Farmers' Welfare

Total Budget (FY 24-25)

INR 930 CR

Year-on-Year Change

- **New Scheme**

Note: The Year-on-Year change in budget has arrived at basis comparison of the current year's (FY 2023-24) Revised Expenditure with the following year's (FY 2024-25) Budgeted Expenditure.

10 YEARS OF BUDGETING

UNION BUDGET FY 2015-2016

'Co-operative Federalism & Empowerment of States'

- ★ **Key reforms announced** - GST and JAM (Jan Dhan, Aadhar and Mobile)
- ★ **Impactful social security schemes** - PM Suraksha Bima Yojna, Atal Pension Yojana, PM Jeevan Jyoti Bima Yojana
- ★ Sharp increase in outlays of roads and railways

UNION BUDGET FY 2017-2018

'Transform, Energise and Clean India'

- ★ **10 themes around social, infrastructure, digital sectors** to foster growth
- ★ **Demonetisation** to curb tax evasion and parallel economy
- ★ **Major Reforms** - Merger of Railways Budget with General Budget, Removal of plan and non-plan classification of expenditure, vision to energise society and clean the country from evils of corruption, black money & non-transparent political funding

UNION BUDGET FY 2019-2020

'5 Trillion Dollar Economy'

- ★ **\$1.5 Trillion of infrastructure investment** over next 5 years
- ★ **One Nation, One Grid** - Affordable power availability to states
- ★ Constitution of **Jal Shakti Mantrayala**
- ★ **Vision for next decade** to focus on Infrastructure, digital India, blue economy, health and Make in India

UNION BUDGET FY 2014-2015

'Sabka Saath, Sabka Vikas'

- ★ **Inclusive development** for growth to reach youth, women, farmers, and marginalized communities
- ★ **Major schemes launched** - Digital India, Skill India

UNION BUDGET FY 2016-2017

'9 Pillars to Transform India'

- ★ **9 Pillar approach for transformation** through Agriculture and Farmers' Welfare, Rural Sector, Social Sector, Infrastructure & Investment, Financial Sector Reforms, Governance and EoDB, Fiscal Discipline, Tax Reforms
- ★ **3 Focus Areas** - Macro-economic stability, Boosting domestic demand, Economic reforms & policy initiatives for the citizens

UNION BUDGET FY 2018-2019

'From "Ease of Doing Business" to "Ease of Living"'

- ★ Launch of flagship **National Health Protection Scheme** covering 10 Cr poor and vulnerable families
- ★ Schemes to strengthen agriculture and rural economy, and schemes focused on MSMEs & infrastructure
- ★ **Flagship Programs** - Smart cities Mission and AMRUT

FOR A PROSPEROUS FUTURE

UNION BUDGET FY 2020-2021

'Sabka Saath, Sabka Vikas, Sabka Vishwas'

- ★ **Preventive Healthcare** - Provision of sanitation & water
- ★ **Healthcare** - Ayushman Bharat
- ★ **Clean Energy** - Ujjawala and Solar Power
- ★ **Financial Inclusion** Credit support and Pension
- ★ Digital penetration

UNION BUDGET FY 2022-2023

'Blueprint for Amrit Kaal'

- ★ Laid the **Amrit Kaal** blueprint, which is futuristic and inclusive
- ★ **Readying for India at 100**
- ★ **4 Priorities** - PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, Sunrise Opportunities, Energy Transition & Climate Action, Financing of Investments

UNION BUDGET FY 2024-2025

'Sabka Saath, Sabka Vikas, Sabka Vishwas' - Empowering the Underprivileged, Youth, Women, and Farmers

- ★ Emphasis on **Strategic Infrastructure Development** of 3 major railway corridor programmes
- ★ Emphasis to **Blue Economy** and Nurturing Growth through Green Energy
- ★ **Reforms for States** towards '**Viksit Bharat**'- 50-year interest-free loan for capital expenditure, to states

UNION BUDGET FY 2021-2022

'Aatmanirbhar Bharat'

- ★ **Focus on Health and Wellbeing** - PM AatmaNirbhar Swasth Bharat Yojana
- ★ **Technology-driven Education** - PM eVidya, National Foundational Literacy and Numeracy Mission
- ★ **Industrial Growth** - PLI schemes in 13 Sectors

UNION BUDGET FY 2023-2024

'Amrit Kaal and Saptarishi (7 Priorities)'

- ★ **Growth and Job Creation** - Opportunities for citizens with focus on youth
- ★ **Saptarishi (7 Priorities)** - Inclusive development, Reaching last mile, Youth, Infrastructure, Financial sector, Green growth, Unleashing the Potential
- ★ Highest Capital outlay for Railways
- ★ Income tax exemption for individuals with total income upto ₹7 lakh
- ★ Increasing Capital investment outlay by 33%



SECTOR ANALYSIS

Aerospace & Defence	/ 28
Agriculture & Allied Services	/ 30
Automotive & Mobility	/ 34
Banking & Financial Services	/ 36
Chemicals & Fertilizers	/ 39
Education	/ 42
Healthcare & Public Health	/ 44
Infrastructure	/ 47
Media & Entertainment	/ 50
MSME	/ 53
Oil & Gas	/ 57
Pharmaceuticals	/ 61
Power & Renewables	/ 64
Real Estate & Urban Development	/ 66
Technology	/ 70
Textiles	/ 75
Tourism	/ 78
FMCG	/ 81
Improving the Business Environment	/ 84

AEROSPACE & DEFENCE

The budget's continued focus towards niche and deep-tech technologies is a silver lining.



FY 23-24 (RE)
6,24,889
INR Crores
Revised Estimate



FY 24-25 (BE)
6,21,541
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



~2%
Of GDP
Share of the sector in India's GDP



> 100,000
INR Crores
Defence Production in FY 23-24



10,000
Companies
Number of Indian companies in the sector

- ★ Defence exports from India have risen to INR 16000 cr in 2022-23 (a 10x times increase in 6 years, compared to INR 1521cr in 2016-17)
- ★ More than 5500 IPR filed and more than 2100 patents granted

POLICY & REGULATORY LANDSCAPE

- Defence Acquisition Procedures
- Make In India in Defence
- iDEX and TDF
- Defence Export policies



- PLI Scheme
- Industrial Licensing Policy
- SCOMET Regulations
- FDI

BUDGET ANNOUNCEMENTS

1. A deep tech technology scheme for core and niche tech in defence should help the ecosystem.
2. A corpus fund for interest free loans to scale up research and innovation for innovation should help aerospace and defence as a sunrise sector as well.
3. A flattish budget overall but an increase of 9% in capital outlay vs 2023-24 revised estimates.

EXPECTATIONS FROM THE BUDGET

- ▶ Incentives and funding for R&D
- ▶ Investment in Advanced Infra Relevant Skill Development
- ▶ Increase in Budget Allocation

EXPECTED IMPACT

- While the budget has been flat, we can expect the development of a strong R&D ecosystem and a skilled workforce. This will create an environment for growth in India's exports in the A&D sector.

EXPECTATIONS ACHIEVED

Government support for R&D in niche and deep-tech technologies in defence is key.



AEROSPACE & DEFENCE

EXPERT OPINION

BUDGETING FOR THE STARS – INDIA’S ODYSSEY UNVEILED IN 2024-25 FINANCIAL CONSTELLATIONS

The government's steadfast commitment to bolstering scientific research and technological advancement is a guiding light, illuminating the path for India's space endeavours. The infusion of more money into the ISRO is nothing short of interstellar fuel, propelling the nation's quest. The allocation of funds along with subsidized interest rates for private, especially for innovation in sunrise sectors such as DeepTech, with an unprecedented investment, meets the demands raised by Space Industry Association-India (SIA) and underscores our commitment to conquering new frontiers.

However, like navigating through a cosmic minefield, challenges loom on the horizon. The space sector, akin to a delicate spacecraft, requires meticulous calibration. The industry urges for a strategic allocation of resources, addressing bottlenecks, and fostering an ecosystem that nurtures innovation, echoing the sentiment that for every leap into the unknown, meticulous planning is imperative. The 2024 budget is our roadmap, and with the right trajectory, the stars are within our grasp.



DR. SUBBA RAO PAVULURI

Founder and CMD
Ananth Technologies

PRIMUS' TAKE

THRUSTING FOR THE AFTERBURNER – FURTHER CONCERTED FOCUS ON R&D IN DEEP TECH IS A CRITICAL STEP FORWARD



AMIT DUGAR

Vice President
Primus Partners

The capital outlay in the budget stood at INR 1.72 lakh crores (an increase of 8.6% over the revised estimates of last year) largely due to the almost 70% higher allocation towards aircraft and aero engines at INR 40,778cr.

A concerted focus on R&D, especially in niche areas, is critical for India's aerospace and defence industry. Self reliance in technologies is key to the Atmanirbharta initiative. The budget's support for innovation and technology at large, in the form of a proposal to launch a new scheme to strengthen deep-tech technologies is a significant step towards enhancing the R&D ecosystem within the country.

The budget, along with the announcement of a corpus fund towards innovation for sunrise sectors, has taken steps to further support niche R&D and entrepreneurship thereby enabling the realization of the region's potential as a hub for cutting-edge defense production.

AGRICULTURE & ALLIED SERVICES

Special focus on participation of private sector for strengthening infrastructure as well as fueling growth in allied sectors.



FY 23-24
1,25,035
INR Crores
Revised Estimate



FY 24-25
1,27,469
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



15%
Of GDP

Share of India's GDP at 2011-12 prices



\$560 B
Billions

Market Size in FY 23-24



45.76%
of Workforce

Of the total workforce of India

- ★ Total farm exports were at USD 53.15 bn and farm imports were at USD 35.69 in FY 23
- ★ Marine Products export stood at USD 8.08 bn in FY 23

- ★ Rice export was at USD 11.14 bn with share of Basmati at about 43% in FY 23

POLICY & REGULATORY LANDSCAPE

- Income support to farmers through PM KISAN
- Increased penetration of Online Mandi e-NAM
- Promotion of organic farming through Paramparagat Krishi Vikas Yojana



- Concessional Institutional Credit through KCC
- Promotion of Farmer Producer Organizations
- Namo Drone Didi scheme through women SHGs to promote use of Drone in agriculture

BUDGET ANNOUNCEMENTS

1. Strengthening public infrastructure by attracting private investment
2. Expanding use of Nano DAP on various crops to enhance the yield
3. Policy push to fuel the growth of allied sector:
 - To Focus on enhancing aquaculture output from 3-5 tons per hectare, double exports to 1 lakh crore and setup 5 integrated aquaparks
 - Launch of 3 micro missions for enhancing honey production
4. Access to easy credit with additional 3% subvention to farmers
5. To promote precision farming drones will be given to 15,000 selected women

EXPECTATIONS FROM THE BUDGET

- ▶ Subsidy for mechanization & technology adoption in farming
- ▶ Augmenting storage infrastructure such as series of silos & network of micro cold storages
- ▶ Promoting agro based cottage industry by incentivizing food processing in rural area
- ▶ Focus on growth of allied sectors

EXPECTED IMPACT

- Increase in productivity
- Reducing post harvest wastages
- Boost rural economy

EXPECTATIONS ACHIEVED

Government focus on including farmers as part of the higher value supply chain would help in fulfilling the Government resolve of doubling farmer income.



AGRICULTURE & ALLIED SERVICES

EXPERT OPINION

STRENGTHENING FARMER PRODUCER ORGANIZATIONS (FPOs) THROUGH MARKET LINKAGES AND DIGITAL INFRASTRUCTURE

Anticipating the fiscal year 2024-25, my perspective on the government's agricultural strategy is one of my expectations for a thorough approach, addressing both immediate challenges and encouragement of long-term sustainability. The budget prominently highlights several key areas of focus.

Strengthening Farmer Producer Organizations (FPOs) through Market Linkages and Digital Infrastructure:

Enabling farmers to access a wider market through platforms is helping them compare prices, and make informed selling decisions. Recent statistics show that E-NAM has expanded to 1,361 mandis, benefiting 1.8 crore farmers with a trading volume of 3 lakh crore.

The recent inclusion of FPOs on the E-NAM platform further strengthens market linkages. Additionally, ONDC's collaboration with NABARD aims to onboard the entire Indian farm value chain, including Farmer Producers' Organisations (FPOs), mandis, processors, exporters, micro, small, and medium enterprises (MSMEs), and small retailers. ONDC is evolving into a "Platform of Platforms," facilitating ease of agri-marketing and value addition for farmers. To further strengthen & integrate the FPOs with overall Agri eco-system, the budget provision has been increased by around 30% compared to last year.

Promote private and public investment for faster growth

With the full budget I would appreciate substantial investments in research and development (R&D), with a focus on strengthening institutions, promoting crop diversification, and developing climate-resilient varieties. Coupling these with efficient transportation and storage are critical for reducing post-harvest losses and ensuring timely delivery of produce.

The budget focuses on building and upgrading cold storage facilities, warehouses, and transportation networks by promoting the private and public investment for faster growth of the sector in post-harvest activities including aggregation, modern storage, efficient supply chain, primary & secondary processing and marketing and branding.

Access to Credit For Farmers

In addressing the anticipated slowdown in the agricultural sector, it was good to see credit provisions for farmers, strengthened rural infrastructure, and promotion of non-farm activities as key components in the budget.

To ensure adequate credit flow to benefit farmers, an interest subvention of 1.5% per annum on short-term agriculture loans up to Rs 3 lakh for the financial years 2022-23 to 2024-25 was already approved by the union ministry. The additional interest subvention of 3% has further been proposed.



DR. ASHOK DALWAI

Chairman,

Empowered Body on Doubling Farmers Income, Ministry of Agriculture & Farmers Welfare, Government of India

Fourth Industrial Revolution into Agriculture during the AmritKaal

4IR technologies are transforming Indian agriculture during the AmritKaal period, boosting productivity and sustainability. The key innovations include AI-powered precision farming, drone utilization for real-time monitoring, blockchain for supply chain transparency, gene editing, and vertical farming. It's interesting to see the emphasis of new age technology that is being adopted in the Budget 2024-25.

However, once the full budget comes, I would appreciate strong emphasis on smart agriculture, promoting for the adoption of cutting-edge technologies resulting to precision farming. This involves real-time monitoring of soil health, weather conditions, and crop growth, aiming to enhance productivity, minimize resource wastage, and promote sustainable practices.

From my point of view, the Union Budget for 2024-25 appears to be geared towards creating a conducive environment for Indian agriculture by integrating technology, sustainability, and farmer welfare. As the budget unfolds, I eagerly await concrete measures that will shape the future trajectory of Indian agriculture.

AGRICULTURE & ALLIED SERVICES



SUMIT CHAUDHARY

Vice President
Primus Partners



With scientific interventions such as improved crop production technologies and management practices, high-yielding varieties, farmer-friendly technologies, the per acre productivity can be significantly increased.



PRIMUS' TAKE

THROUGH POLICY PUSH BOOSTING THE ALLIED SECTOR

The Budget 2024-25 remains focused on increasing farmers' income by promoting private sector investments post-harvest activities, adoption of cutting-edge technology and enabling access of credit at a competitive rate for farmers.

While government's proactive policy measures are playing a vital role in making agriculture a lucrative and sustainable livelihood option for the Farmer, however, encouraging farmers to adopt allied activities including Horticulture, Aquaculture, Dairy, etc can result in significant increase in farmers' income.

Horticulture production and area coverage (8.76% of total country area) have steadily increased over the years as a result of proactive policies and initiatives implemented by the Government of India and State Governments, as well as improved crop production technologies and management practices. However, according to MoSPI, India's production of fruits and vegetables is about 12 and 17 tons per hectare, which potentially can be doubled through various policy push proposed in the budget.

Due to high perishability, fruits and vegetables are mostly traded and consumed locally, hence forcing stress selling at times. To address this there would be requirement of huge network of micro cold storages at block level to control the wastages and strengthen the market linkages to transform the Indian horticulture industry and accelerate the commercialization of this sector. Ensuring the market access and processing at point of production is another area to be triggered through budgetary provision. This budget rightly emphasised on promoting private & public sector investment for post-harvest activities including efficient supply chain, aggregation, modern storage, primary & secondary processing and marketing and branding.

With scientific interventions such as improved crop production technologies and management practices, high-yielding varieties, farmer-friendly technologies, the per acre productivity can be significantly increased. However, this would require upfront capital investment which continues to be a bottleneck in adoption of such interventions. National Horticulture Board is running several schemes to promote commercial horticulture by promoting the usage of modern technologies which required a capital investment, and the proposed 3% additional interest subvention will accelerate the adoption boosting the yield contributing towards the goal of doubling farmers income.

AGRICULTURE & ALLIED SERVICES

EXPERT SPEAK



PROF. SATISH VERMA

Professor RBI Chair,
Centre for Research in
Rural and Industrial
Development

“

The budget continues to lay emphasis on promoting public and private investment in agriculture as a step towards doubling farmers' income. This budget proposes to lay special emphasis on growth of aquaculture sector. A target of increasing yield in this sector from three to five tons per hectare and to quadruple exports to INR one lakh crore is a significant highlight of the budget. It has also been proposed to build five integrated aquaparks. All these proposed progressive initiatives would generate more than 55 lakh employment opportunities. Moreover, India is a surplus nation particularly in wheat and paddy production. Whereas their consumption has depicted a declining trend, while that of value addition protein rich and nutrition crops is rising. The government may consider incentivising production of the later crops that will add significantly to farmers' income.

”



AUTOMOTIVE & MOBILITY

Continuation of existing policy support for EV with a focus on public transport including charging infrastructure.



FY 23-24
5,303
INR Crores
Revised Estimate



FY 24-25
6,421
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



7.1% Share of the sector in India's GDP
Of GDP



15 LAC INR Crores

Market Size in FY 23-24



370 LAC Direct & Indirect Employment in the sector
People

- ★ Automobile Sector resulted in 5.41% of the total FDI inflow
- ★ EV market expected to grow at CAGR of 49% between 2022-2030
- ★ EV industry would create 5 Mn direct and indirect jobs by 2030
- ★ Total Export in number of automobiles in 2022-23 was recorded at 47,61,487
- ★ Two-wheelers and passenger cars accounted for 76% and 17.4% market share respectively

POLICY & REGULATORY LANDSCAPE

- PLI Scheme for automobile and auto components
- Battery Waste Management Rules, 2022
- FAME



- PLI Scheme for manufacturing Advanced Chemistry Cells
- Automotive Mission Plan 2016-2026
- Ethanol Blending

BUDGET ANNOUNCEMENTS

1. Increased outlay for PLI for Automobiles and Auto Components from INR 484 Cr. to INR 3500 Cr.
2. Increased outlay for PLI for National Programme on Advanced Chemistry Cell from INR 12 Cr. to INR 250 Cr.
3. Continued support to FAME with allocation of INR 2671 Cr from INR 4807 Cr. A drop by 44.4%.
4. Support to manufacturing and charging infrastructure.
5. Greater adoption of e-buses for public transport.
6. Payment Security Mechanism for e-buses.

EXPECTATIONS FROM THE BUDGET

- ▶ Reduction in the GST rate on parts/ components used in the manufacture of EVs and batteries and rationalization of duty structure in luxury segment
- ▶ Continuation and expansion of PLI schemes
- ▶ Extension of FAME Subsidies

EXPECTED IMPACT

We believe that FAME will move away from personal mobility and focus on public mobility.

Introduction of Payment Security Mechanism and a focus on strengthening the EV ecosystem sets the right tone for the industry and positions India at the forefront of sustainable automotive development and boosting job creation.

EXPECTATIONS ACHIEVED

Continued focus on the expansion and enhancement of the EV ecosystem is strategic and future-oriented approach.



AUTOMOTIVE & MOBILITY

EXPERT OPINION

BUDGET POWERS EV AND PUBLIC TRANSPORT

The Union Budget for FY 2024-25 demonstrates a progressive commitment to bolstering the electric vehicle (EV) ecosystem. Highlighting the emphasis on integrating electric buses into public transit systems is a significant step.

Furthermore, the increased funding for Production Linked Incentive (PLI) Schemes for Automobiles and Auto Components, coupled with the National Programme on Advanced Chemistry Cell, signifies a thoughtful investment in the sector. The continued support for FAME initiative is particularly encouraging for the industry.

These initiatives are designed to motivate Indian companies to develop solutions tailored for Indian requirements while positioning the country as a competitive player on the global stage.



AMIT B. KALYANI

Joint Managing Director
Bharat Forge Limited



NIKHIL DHAKA

Vice President
Primus Partners

PRIMUS' TAKE

BOOSTS INDIA'S EV INFRASTRUCTURE

The 2024-25 Union Budget marks a significant leap towards enhancing India's electric vehicle ecosystem, with a particular focus on addressing range anxiety through the expansion of charging infrastructure. This proactive move will tackle one of the main hurdles to EV adoption, reassuring consumers about the practicality of EVs for both short and long-distance travel. By prioritizing this, the government is ensuring that EVs are a viable option for more people, paving the way for a rapid increase in electric mobility.

The budget's emphasis on e-buses is set to make a notable impact on urban emissions, targeting one of the major sources of CO2 in city environments. Transitioning to electric buses will contribute substantially to lowering urban pollution levels and enhancing public health, while the support for entrepreneurship in the EV sector signals a broader commitment to innovation and job creation in green technology.

BANKING & FINANCIAL SERVICES

Union Budget 2024-25 holds potential for transformative change in India's BFSI and Fintech sectors.



FY 23-24
4,341
INR Crores
Revised Estimate



FY 24-25
2,571
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



12%
Of GDP

Share of the sector in India's GDP

- ★ Financial Inclusion index for Mar23 stood at 60.1 vis-à-vis 56.4 in Mar 22
- ★ 13 crore digital transactions, with the value of transactions via UPI reaching INR 139 Lakh Cr in FY 23
- ★ Net NPAs as of Sep 23 stood at 0.8% compared to 1% on Mar 23 and Bank credit growth stood at 16.5% in Dec 23

POLICY & REGULATORY LANDSCAPE

- Draft circular on Review of regulatory framework for HFCs & harmonization of regulations applicable to HFCs & NBFCs
- IFSCA Fintech Incentive Scheme
- IRDAI Bima Vahak Guidelines, 2023
- CBDC Framework and Guidelines



- SEBI 2nd amendment of Listing Obligations and Disclosure Requirements Regulations, 2023
- CGTMSE
- Prevention of Money Laundering Act and Rules
- National Strategy for Financial Inclusion 2019-24
- G20 2023 Financial Inclusion Action Plan

BUDGET ANNOUNCEMENTS

1. Fiscal Deficit at 5.8% with a target of 5.1% for FY 25
2. 75K Cr 50-year interest free loan for incentive linked reforms at state level
3. Tax liability up to 25K by FY 10 and up to 10K between FY 10 & FY 15 withdrawn
4. 1 lakh Cr for R&D in sunrise sectors with 50-year low/nil interest loans for private sector

EXPECTATIONS FROM THE BUDGET

- ▶ 10-15% growth in govt capex in FY25
- ▶ Fintech sector support for digital payments, regulatory frameworks, & tax incentives
- ▶ Tax deduction limit for life insurance
- ▶ Priority sector status to micro gold loans and introducing 'Gold linked credit line via UPI'
- ▶ Change in Loan-to-Value ratio for digital lending platforms

EXPECTED IMPACT

- Increased fiscal discipline leading to lower cost of borrowing and higher funds availability for private sector
- Increased investment in R&D leading to innovation in tech and other sunrise sectors
- Unchanged rates maintains stability and withdrawn tax liability provides much needed relief to public

EXPECTATIONS ACHIEVED

We believe with the budget deficit under control the cost of capital will come down across sectors leading to private investments and we expect further measures including divestment of public sector banks, insurance companies in the upcoming general budget.



BANKING & FINANCIAL SERVICES

EXPERT OPINION

BUDGET 2024-25 BALANCES GROWTH WITH FISCAL PRUDENCE, BOOSTS KEY SECTORS

The fiscal year 2024-25 budget, presented by the Finance Minister, provides for a comprehensive and development-focused macroeconomic plan, striking a balance between fiscal consolidation and growth. The announced fiscal deficit target of 5.1% for FY25 signifies a proactive approach to economic management. This target, set lower than the expected 5.3%, builds upon the achievement in FY24, wherein the fiscal deficit of 5.8% surpassed the targeted 5.9%, indicating revenue mobilization. Thus, resulting in a low-cost capital, fostering significant growth in nominal GDP growth upward of 8%.

Build capital expenditure and calibrate on the tripling of capital expenditure over the past four years, the upcoming fiscal year sees an 11.1% increase, contributing to the multiplier impact on economic growth and employment creation. Capital expenditure is slated to increase by an impressive 16.9% over the Revised Estimates (RE) of 2023-24, amounting to ₹14 lakh crores in the Budget Estimates (BE) for 2024-25, reflecting a substantial 17.7% surge over the RE of the preceding fiscal year.

Continuing the momentum in infrastructure development, the budget outlines plans for the expansion of existing airports, development of new airports and multi-modal connectivity for railways, prioritizing the tourism sector as well.

The introduction of a ₹1 lakh crore interest-free loan for Sunrise domains is a strategic move to catalyze innovation in AI, green economy, deep tech, and infrastructure funds. This corpus, facilitating long-term financing or refinancing with favorable terms, is poised to drive substantial research and innovation in these pivotal domains. The government continues to push Green Energy mandate and this budget sustains a green economy focus, introducing viability gap funding for harnessing offshore wind energy potential, targeting an initial capacity of one gigawatt, rooftop solarization incentives and milestones for transition towards Green Energy.

The budget also addresses critical tax deadlines, extending certain benefits for startups, sovereign wealth, pension funds, and income tax exemptions for units in International Financial Services Centres (IFSC) until March 2025, this move enhances India's attractiveness as an investment destination.

In essence, the budget signifies a commitment to structural growth and essential government expenditures, that being continued emphasis on infrastructure development, potential expansion of sectors under the production-linked incentive (PLI) scheme, a sustained focus on green energy transition and providing enablers for consumption.



ABHISHEK RAVI

Principal Partner

Ravi Rajan & Co LLP

“

The budget also addresses critical tax deadlines, extending certain benefits for startups, sovereign wealth, pension funds, and income tax exemptions for units in International Financial Services Centres (IFSC) until March 2025, this move enhances India's attractiveness as an investment destination.

”

BANKING & FINANCIAL SERVICES



SHRAVAN SHETTY

Managing Director
Primus Partners

“

The budget's focus on fiscal consolidation results in reduction of cost of borrowing. Through stable market borrowings and an increased capital expenditure, a rise in private sector funds can be anticipated encouraging further economic growth.

”

PRIMUS' TAKE

THE BUDGET SYMPHONY OF THE BFSI SECTOR

Despite global uncertainties, the Indian economy has witnessed resilience boasting a growth rate of 7%. The transformative trends across various sectors have fueled the nation's vision to achieve \$5 trillion economy, wherein the BFSI sector is well positioned as a key player in this pursuit.

As the Union Budget 2024-25 is unveiled, it brings forth initiatives focused on the mantra **'Sabka Saath, Sabka Vikas, Sabka Vishwas'** that fosters a more inclusive financial ecosystem.

Besides realizing growth in terms of GDP, the initiatives taken by the Government have stimulated macro-economic stability and enhanced investments within the economy. The budget strategically places an emphasis on tackling poverty and providing support to vulnerable groups, through PMJDY and credit assistance schemes. This deliberate focus has led to savings of INR 2.7 lakh crore for the Government which in turn has facilitated in providing more funds for the underprivileged.

The budget's focus on fiscal consolidation results in reduction of cost of borrowing. Through stable market borrowings and an increased capital expenditure, a rise in private sector funds can be anticipated encouraging further economic growth. However, the actual impact will be contingent to a variety of factors, including the overall economic environment, policy implementation, and market response.

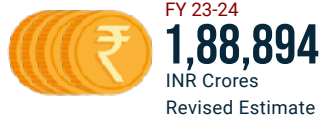
The financial sector has observed enhancement in efficacy of existing initiatives in areas of credit, investments, etc. While, the Union Budget 2024-25 has prioritized further development of the sector in terms of size, capacity, skill, and regulatory framework, there is a need for continuous evaluation and adjustment to align with evolving economic conditions in India.

Particular to the post-election phase, the Government may look at divestment of public sector banks and insurance companies as a strategic move to generate significant revenue. In summary, the Union Budget for 2024-25 paints a comprehensive roadmap for India's financial sector, aligning economic growth with inclusivity and sustainability. As the government focuses on fostering innovation, investments, and skill development, the latest budget sets the stage to shape India's financial landscape, propelling India towards a prosperous future.

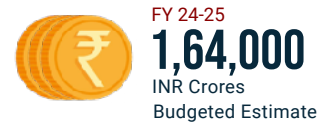
CHEMICALS & FERTILIZERS

Adoption of Nano-DAP along with increased use of Nano-Urea in agro climatic zones through PM Pranam to tackle overuse and misuse of Urea; lowering subsidy burden and promoting sustainable agriculture.

Fertiliser Subsidy



Fertiliser Subsidy



SECTOR AT A GLANCE



★ The Chemical industry is a pillar industry of India that feeds to many other industries including manufacturing, food, construction etc.

★ The Chemical industry is estimated to be ~\$200b and the fertilizer industry ~\$50b in 2023 both growing ~6-8% annually.

POLICY & REGULATORY LANDSCAPE

• Fertilizer subsidy is one of the most volatile parts of our budget, as volume cant be changed, while price of raw material ie. natural gas is volatile.



• 2023 gas prices were lower than 2022, and are expected to be range bound in 2024.
• PIPCR investment regions and CPDS for promotion are key schemes.

BUDGET ANNOUNCEMENTS

1. Nano-DAP fertilizer to be expanded in all agro-climatic Zones.
2. Fertilizer Subsidy allocation reduced by 13%.
3. Introduction of modern methods & fertilizers will help agriculture as well as reduce the finance burden.
4. Gas price assumptions taken are lower than last year.

	Rs Lakh Crore		
	FY 24*	FY 25	% change
Urea	1.29	1.19	-7%
Nutrient	0.60	0.45	-25%
Total	1.89	1.64	-13%

* Revised estimates

EXPECTATIONS FROM THE BUDGET

- ▶ Some aspects met, with inclusion of nano DAP.

EXPECTED IMPACT

- This will help reduce urea misuse and promote sustainable agriculture.

EXPECTATIONS ACHIEVED

Continuity in policy along with adoption of modern fertilizers and methods are good for the industry.



CHEMICALS & FERTILIZERS

PRIMUS' TAKE

FERTILIZER SUBSIDY: MOVE TOWARDS A BETTER REGIME

Fertilizer subsidy is a large expense item in budget

The Fertilizer subsidy is one of the biggest schemes run by the GOI and is aimed towards food security and farmers. The top 5 schemes in the budget along with FY 24 allocations are Fertilizer Subsidy - Rs. 1.89 lakh crore (revised), NHAI - Rs 1.67 lakh crore, Jal Jeevan - Rs. 70,000 crore, MGNREGA - Rs. 60,000 crore, PM Kisan - Rs. 60,000 crore.

FY 25 allocation for fertilizer subsidy is down 13% to Rs 1.64 lakh crore. Urea subsidy is down 7% to Rs. 1.19 lakh crore and nutrient based subsidy is down 25% to Rs 45,000 crore.

The Difficulty in predicting Dertiliser subsidy

The Fertilizer subsidy is highly dependent on the volatile international energy, gas and urea prices. For FY 24, the revised estimate was Rs 1.89 lakh crore compared to original budget of Rs 1.75 lakh crore. FY 25 allocation of Rs 1.64 lakh crore probably assumes lower gas prices compared to FY 24. In the past year the OANDA international natural gas prices have fluctuated between ~\$2.1 to \$3.8 per MMBTU range—which is over 80% variation over past year. The geo-political situation and natural gas prices is likely to remain volatile in the near future.

Need for revision in Fertilizer subsidy modalities

The Fertilizer subsidy has an important role in overall food production of India and management of farm input for the farmers. Many subsidy related issues have been identified since a long time. There has been a deadlock between conflicting and noble goals, which needs to be resolved. The key issues include : Overuse of fertilizers, Imbalance of nutrients and soil degradation, Burden to exchequer, Hindrance to newer technologies, Need to move towards sustainable agriculture as well as better use of the taxpayers' money.

Way forward for a better Fertilizer regime

Misuse and over-use of Urea poses as one of the biggest issues with the current regime. Fortunately, technologies to improve agriculture are advancing at a very rapid pace. Nano Urea, other new types of fertilizers, precision agriculture, use of drones, use of GIS, improvement in farming techniques etc. are promising some examples.



ANURAG SINGH

Managing Director
Primus Partners



Adoption of Nano-DAP along with increased used of Nano- Urea in agro climatic zones and modernising agriculture through PM Pranam are rightful and much needed sectoral measures to tackle overuse and misuse of Urea; lowering subsidy burden and promoting sustainable agriculture.



CHEMICALS & FERTILIZERS

FERTILIZER SUBSIDY: MOVE TOWARDS A BETTER REGIME

CONTD.

There is a need for bundle of technologies and practices to make a 'solution' for chosen area – crop clusters. An example of area-crop cluster could be the cultivation of potatoes in the Firozabad area. The area-crop clusters should be prioritized to exhibit maximum reduction of urea usage.

This must be followed by an economic study of these area-crop clusters to carefully examine the difference between current practice and new 'solution' in terms of farm input, farm investment, cash flow of farmer, effort of farmer, quality of output etc.

The level and type of support required for farmers to make the switch should be identified and the most cost effective initiatives be chosen.

Value chain for the 'solution' should be developed and encouraged through special schemes to make it economically viable for key participants.

It is encouraging to see that some efforts are being done to reduce the fertilizer consumption. Application of Nano-DAP in all agro-climatic zones, **PM PRANAM** programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth are steps in the right direction. This programme promotes balanced / sustainable use of chemical fertilisers, adopting alternate fertilisers such as organic, bio and nano fertilisers, and promoting natural and organic farming.

Adoption of Nano-DAP along with increased used of Nano-Urea in agro climatic zones and modernising agriculture through PM Pranam are rightful and much needed sectoral measures to tackle overuse and misuse of Urea; lowering subsidy burden and promoting sustainable agriculture.

EXPERT SPEAK



CHHABILENDRA ROUL

Member CAT,
Former Secretary to GoI,
Department of Fertilizers

“

Fertilizer Subsidy is one of the top expense item in the budget. Given the importance fertilisers mitigating the food security, it is imperative to continue with reasonable subsidisation of various fertilisers, including organic and new as well as innovative fertilisers . However, the twin objectives of sustainability of agricultural operations and mitigating the adverse impact on environment are key parameters that should guide policy regarding fertiliser subsidisation. The quantum of likely subsidy is difficult to predict, as input & energy costs are quite uncertain. Measures must be taken a) to tweak the relative prices of fertilisers to promote balance use of nutrients and b) reduce uncertainty of input costs by adopting buffer stock of intermediates and final fertiliser products.

”

EDUCATION

A budget with a holistic approach aimed towards addressing the entrepreneurial aspirations of our youth.



FY 23-24
1,12,899
INR Crores
Revised Estimate



FY 24-25
1,20,628
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



3.0% Share of the sector in India's GDP



> 73,008 6% increase for DSEL in FY 24-25
INR Crores



> 47,619 8% increase for Higher Education in FY 24-25
INR Crores

- ★ The National Education Policy 2020 is ushering in transformational reforms.
- ★ The Skill India Mission has trained 1.4 crore youth, upskilled and reskilled 54 lakh youth, and established 3000 new ITIs.

- ★ Increased female enrolment in higher education by 28% in 10 years
- ★ A large number of new institutions of higher learning, namely 7 IITs, 16 IIITs, 7 IIMs, 15 AIIMS and 390 universities have been set up.

POLICY & REGULATORY LANDSCAPE

- New Higher Educational Institutions
- NRF: Implementation Plan
- More Fund allocation for HEI and MERITE
- Creation of NDL in alignment of NEP 2022



- Focus on Skilling and Vocational Education
- Scholarships & Vidyanjali Program
- More PM-SHRI Schools
- Focus on Schools in EBBs & Aspirational Districts

BUDGET ANNOUNCEMENTS

1. 43% of female enrolment in STEM courses
2. 1.4 crore youth trained under Skill India Mission
3. Increase in PM SHRI allocation from INR 4000 crore to 6000 crore
4. Set up medical colleges by utilising the existing hospital infrastructure

EXPECTATIONS FROM THE BUDGET

- ▶ More focus on Ed-Tech Start-ups and Future Skills integration
- ▶ Investment in Advanced and Skill Development
- ▶ More PM SHRI schools in EBBS and Aspirational Districts
- ▶ Increase in Budget Allocation

EXPECTED IMPACT

- Help to re-affirm growth of the Ed-Tech start-ups
- More empowered and Skilled youth Expected impact
- Reach the deprived and left-out social groups of the society

EXPECTATIONS ACHIEVED

The continuous increase in the budgetary allocation re-emphasizes the focus of the government to improve Education and Skill Sector.



EDUCATION

PRIMUS' TAKE

INVESTING IN HUMAN CAPITAL FOR VIKSIT BHARAT

The interim budget has gone for incremental improvement in the school education space, with a small ~6% increase in allocation over the previous year. However, it recognizes that rapid economic transformation and the vision of Viksit Bharat has to be underpinned by a focus on human resource, which starts from strengthening school education.

I would like to particularly commend the emphasis on innovation through the increase in funding for PM SHRI and STARS. The nearly 50% jump in funding for PM SHRI will allow for these selected schools to act as models for their peers and be a laboratory for the testing of pilot projects to deliver quality education suited to the 21st century. The funding increase for STARS, supported by World Bank, is also a welcome move for the 6 states where it is being implemented, as the programme has been instrumental in introducing innovative practices that are being gradually subsumed under Samagra Shiksha and other schemes.

I am keen to see how the next full budget integrates skilling with mainstream education and aligns education standards with global benchmarks will be instrumental in India achieving its \$7 trillion economy goal.



CHARU MALHOTRA

Co-Founder & Managing Director
Primus Partners

EXPERT SPEAK



DR. APOORVA PALKAR

Hon. Vice Chancellor,
Maharashtra State
Skills University

“

In analysing the Union Budget 2024-25's impact on the Skilling Sector in India, we commend the government's strategic foresight. The budget underscores a dedicated commitment to elevate the nation's workforce through comprehensive skilling initiatives. The launch of Skill India Mission, setting up of 390 Universities and 3000 new ITIs has uplifted crores of Indian youth by providing them with a plethora of options across sectors and making them employment ready. This holistic approach not only addresses current employment needs but also aligns with India's vision for global competitiveness. The budget's emphasis on fostering a dynamic and adaptable workforce reflects a nuanced understanding of the evolving job landscape, positioning the Skilling Sector as a cornerstone for sustained economic growth and individual prosperity.

”

HEALTHCARE & PUBLIC HEALTH

The Interim Budget 2024-25 sets a promising course for India's healthcare and pharmaceutical sectors. With a focus on preventive medicine, vaccination, and primary healthcare, the budget demonstrates a commitment to sustainability and innovation.



FY 23-24
89,155
INR Crores
Revised Estimate



FY 24-25
90,658
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



3.2%
Of GDP

Share of the sector in India's GDP



\$372 B
Billions

Market Size in FY 23-24



5 LAC
People / year

Employment Generated by the sector

- ★ Medical device market is estimated at \$11 Bn and is expected to grow to \$50 Bn by 2025
- ★ Health Insurance is gaining momentum, with 30% population covered

- ★ Medical tourism sector contributes to \$9 billion and is expected to reach USD 14.31 billion by 2029, growing at a CAGR of 13.23%

POLICY & REGULATORY LANDSCAPE

- AB-PMJAY to promote Universal Health Coverage in India
- Heal in India and Heal by India initiatives to promote Medical Tourism
- New Medical Devices Policy 2023 to promote innovation and manufacturing of Medical Devices in the country



- ABDM to promote digitization of health records across the country
- Scheme for Promotion of Research and Innovation in Pharma MedTech Sector (PRIP)
- PLI Scheme to promote investments in the manufacturing in Medical Device Sector

BUDGET ANNOUNCEMENTS

1. New medical colleges utilizing existing hospital infrastructure for improved medical education and healthcare services
2. Encourage vaccination for girls in age group 9-14 years to prevent cervical cancer
3. Expedition of Saksham Anganwadi and Poshan 2.0 to enhance nutrition delivery
5. Maternal and childcare schemes to be consolidated for streamlined implementation
6. Swift nationwide rollout of the U-WIN platform for enhanced immunisation management
7. Expanding Ayushman Bharat to cover ASHA and Anganwadi workers

EXPECTATIONS FROM THE BUDGET

- ▶ Increase in Budgetary Allocation
- ▶ Health infrastructure strengthening
- ▶ Regulatory policies for refurbishment of high-end medical devices
- ▶ Promote 'Make in India'
- ▶ Promote R&D, PPP

EXPECTED IMPACT

- Strengthening of preventive medicine in the country through immunization and nutrition
- Inclusion of frontline health workers in the government insurance scheme to increase the scope of Universal Health Coverage
- Enhancement of healthcare workforce through establishment of more medical colleges

EXPECTATIONS ACHIEVED

The budget focuses correctly on preventive healthcare. The overarching theme of Inclusivity is apparent in the healthcare sector announcements. An increase in the budgetary allocation is expected in the upcoming general budget.



HEALTHCARE & PUBLIC HEALTH

PRIMUS' TAKE

CHARTING A HEALTHY FUTURE: INSIGHTS FROM INDIA'S DYNAMIC INTERIM BUDGET 2024-25

The Interim Budget 2024-25, presented by the Hon'ble Finance Minister, reflects a promising outlook for India's economic and social future. The dynamic year of 2023 showcased India's global leadership in healthcare, setting the stage for the nation to become a global hub. As we enter AmritKaal, the budget addresses the need for internal expansion, emphasizing preventive medicine, universal health coverage, and policy reforms. The simplicity of the budget lies in its sincere and actionable schemes, focusing on primary healthcare, vaccination, and technology integration.

The government's commitment to inclusivity is evident in providing universal health coverage under Ayushman Bharat to ASHA and Anganwadi workers. The launch of the U-WIN platform for vaccination tracking reflects India's tech-savvy approach, aiming to replicate the success of Co-WIN in the World's Largest Vaccination Drive. The budget's emphasis on preventive medicine is further underscored by the vaccination initiative against Cervical Cancer for girls aged 9-14.

Primary healthcare takes center stage, addressing the divide between primary and secondary/tertiary services. Commitment to Saksham Anganwadi and Poshan 2.0 is crucial amid rising Non-Communicable Diseases and malnutrition, ensuring a healthier society.

India's commitment to Climate and Health Initiatives, as showcased by the Net Zero 2070 vision and the Green Development Pact, positions it as a forward-thinking nation. The budget reiterates the government's dedication to R&D and sustainable development, exemplified by the Bio-Foundry and Bio-Manufacturing scheme, steering the pharmaceutical industry toward a greener future.

In essence, the budget not only addresses immediate health concerns but outlines a comprehensive and forward-looking strategy, aligning with global health initiatives and fostering sustainability in critical industries. The government's vision, coupled with actionable plans, sets a positive trajectory for India's healthcare and pharmaceutical sectors.



NILAYA VARMA

Co-Founder and CEO
Primus Partners



In essence, the budget not only addresses immediate health concerns but outlines a comprehensive and forward-looking strategy, aligning with global health initiatives and fostering sustainability.



HEALTHCARE & PUBLIC HEALTH

EXPERT SPEAK



JOY CHAKRABORTY

COO,
Hinduja Hospital

“

Building a resilient healthcare infrastructure demands a dual-pronged strategy, not only augmenting bed capacity but also uplifting the skilled human resources in healthcare. Echoing the recommendations of the Bhor Committee in 1943, the systematic implementation of multi-tiered Primary Healthcare Centers becomes imperative, offering integrated services encompassing promotive, preventive, curative, and rehabilitative dimensions. This approach significantly contributes to holistic community development programs.

Activating and efficiently implementing Ayushman Bharat is paramount, underscoring the importance of increased private sector engagement through incentives, particularly in Tier 2 and 3 cities, coupled with the extension of tax incentives. The overarching objective is to ensure equitable and accessible healthcare for every citizen across India.

The MedTech industry, which played a pivotal role during the challenging times of the Covid pandemic, deserves special attention. Introducing tailored schemes can expedite its growth, fostering self-sustainability and ensuring preparedness for future healthcare needs.

”

INFRASTRUCTURE

Budget 2024 strengthens the emphasis on infrastructure, with capital expenditure increased to INR 11.11 lakh crore.



FY 23-24
10,00,000
INR Crores
Revised Estimate



FY 24-25
11,11,111
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



3.4% Share of the sector in India's GDP
Of GDP



\$204 B Market Size in FY 23-24
Billions



200 Of Employment generated for every 1 Cr
Man years

- ★ Infrastructure sector to grow at 9.5% CAGR for next 5 yrs
- ★ India anticipates a twofold increase in its annual domestic air passenger traffic, reaching 300 million by 2030, up from 153 million recorded in 2023

- ★ Commodity-specific rail corridors in the east aim to decongest, ensuring faster freight movement. This addresses India's logistics costs (currently 12% of GDP), boosting competitiveness

POLICY & REGULATORY LANDSCAPE

- National Logistics Policy
- Dedicated Freight Corridor
- UDAAN Scheme
- Digital India Scheme
- KRISHI- UDAN



- Bharatmala Scheme
- Sagarmala Scheme
- PM GatiShakti Master Plan
- Urban Infrastructure Development Fund (UIDF)

BUDGET ANNOUNCEMENTS

1. A rise of 11.1% in the infrastructure outlay, constituting 3.4% of GDP, will bolster railway, road, and logistics infrastructure.
2. Establish three significant economic corridors for railways.
3. Indian Railways plans to enhance 40,000 bogies to meet Vande Bharat standards.
4. Budgetary allocation for the Directorate General of Civil Aviation (DGCA) is Rs 302.64 crore and for the Bureau of Civil Aviation Security (BCAS), the amount is Rs 89 crore.
5. Budgetary allocation for the civil aviation ministry has been reduced to Rs 2,300 crore.

EXPECTATIONS FROM THE BUDGET

- ▶ Single-window credit guarantee facilities
- ▶ Dedicated asset monetization fund at central & state level
- ▶ Reduction of duties on ATF

EXPECTED IMPACT

- Boost to infrastructure financing
- Green growth of financing for infrastructure
- Growth of aviation sector

EXPECTATIONS ACHIEVED

A positive development is the 11.10% increase in infrastructure outlay, which is expected to bring significant benefits.



INFRASTRUCTURE

EXPERT OPINION

REVITALIZING RAILWAYS: A BLUEPRINT FOR SUSTAINABLE GROWTH IN INDIA

The Indian Railways, with its vast network, serves as the backbone of the country's transportation infrastructure. However, the challenges are substantial. Despite the impressive scale, issues such as outdated infrastructure, insufficient capacity, and the need for technological modernization persist.

It is expected that the investments in railway infrastructure will again take centre stage. Upgrading tracks, signalling systems, and stations is imperative to ensure safe, efficient, and modern rail travel. A considerable portion of the budget should be allocated to address the backlog in track renewals and modernize the signalling system, which is crucial for enhancing operational safety and reducing delays. According to the latest railway safety performance figures, incidents such as derailments and accidents have decreased in recent years, but sustained investments are necessary to maintain this positive trend.

The announcement of development of three major railway economic corridors (energy, mineral and cement; port connectivity; high traffic density) by Indian Railways is a positive move. These corridors, identified for high traffic density, aim to enhance the efficiency and safety of passenger train operations, contributing to faster and safer rail travel. This strategic move towards infrastructure development and standardization is a commendable step that is poised to significantly benefit the nation, encouraging economic growth, improved transportation, and elevated safety standards in the railway sector.

The freight sector, a significant revenue generator for Indian Railways, requires a focused approach. The DFC network, currently spanning over 3,300 km, has been a game-changer. Doubling down on its expansion is crucial. Expedite land acquisition, complete ongoing projects like Eastern & Southern DFCs, and fast-track new corridors like North and West Coast DFCs. This will liberate the mainline for faster passenger trains and unlock India's industrial potential.

As the budget is unveiled, it reflects a clear vision for the railways, acknowledging its pivotal role in the nation's journey towards progress and prosperity.



BAKHTIAR DADABHOY

Former Additional Member
Railway Board

“

The announcement of development of three major railway economic corridors (energy, mineral and cement; port connectivity; high traffic density) by Indian Railways is a positive move.

”

INFRASTRUCTURE

PRIMUS' TAKE

NAVIGATING INDIA'S FISCAL HORIZON: A BLUEPRINT FOR SUSTAINABLE INFRASTRUCTURE GROWTH



PRAGYA PRIYADARSHINI

Vice President
Primus Partners

Our journey so far has been remarkable. India is now the world's second-largest road network and boasts of the fourth-largest railway network. Yet, challenges remain. It is estimated that India's infrastructure investment as a percentage of GDP stands close to 4%, trailing behind countries like China and that India needs to invest on an average USD 55 billion to meet the infrastructure needs of its fast-growing population. One of the key pillars that will determine the success of India's economic trajectory is its infrastructure sector. The allocation and utilization of funds for infrastructure development play a pivotal role in enhancing connectivity, encouraging economic activities, and creating job opportunities.

While the government has made commendable strides in recent years, there is still a considerable gap that needs to be bridged to meet the growing demands of a growing population and a rapidly evolving economy. The infrastructure sector needs a constant influx of fresh ideas and skilled personnel.

A positive step is seen in the 11.10% rise in infrastructure capital outlay in Budget 2024-2025. While the government is the driving force, private sector participation remains essential. Streamlining PPP frameworks, ensuring timely dispute resolution, and offering attractive incentives can unlock massive private capital inflow.

The reduction in budgetary allocation for the civil aviation ministry to Rs 2,300 crore for the next financial year, compared to Rs 2,922.12 crore in the current fiscal, raises concerns. This cut comes at a time when there is a pressing need for substantial investments in the industry. On a positive note, the commitment to the expansion of existing airports and the comprehensive development of new airports under the UDAN scheme is a commendable initiative. While the reduced budgetary allocation raises concerns, the simultaneous focus on expanding airport infrastructure is expected to bring about positive changes in regional connectivity and accessibility, contributing to the growth of the aviation sector.

In conclusion, a targeted and well-calibrated allocation of resources in key infrastructure sectors is crucial for laying the foundation of a resilient and prosperous India. As the world grapples with economic uncertainties, India has an opportunity to showcase its commitment to infrastructure development as a key driver of economic growth. The budget for fiscal year 2024-2025 is a catalyst for transformative change, propelling India towards a future where infrastructure is not just a means to an end but a cornerstone of sustainable and inclusive development.



Streamlining PPP frameworks, ensuring timely dispute resolution, and offering attractive incentives can unlock massive private capital inflow.



MEDIA & ENTERTAINMENT

Employment generation & innovation at the core of Create in India, by India, for the World



FY 23-24
4,449.76
INR Crores
Revised Estimate



FY 24-25
4,342.55
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



0.9% Share of the sector in India's GDP



\$25.2 B Market Size in FY 23-24



13% Growth Rate of the sector CAGR

- ★ \$67+ Bn by 2030 Market Potential from \$27 Bn in 2023
- ★ Potential for 29 Lakh direct and 51 Lakh indirect employment opportunities by 2027

- ★ Online Gaming, Animation & VFX, and Digital Media and OTT to lead the human resource demand in the industry

POLICY & REGULATORY LANDSCAPE

- Incentive Scheme For Production Of Foreign Films In India
- Incentive for Audio Visual Co-production with foreign countries
- Development Communication & Information Dissemination
- Supporting Community Radio Movement in India



- The Telecommunication (Broadcasting And Cable) Services Tariff Order
- Exhibition of Public Service Awareness Films in Cinema Theatres
- Broadcasting and Infrastructure Network Development scheme

BUDGET ANNOUNCEMENTS

1. Rs. 1 Lakh Crore low or nil interest long term loans to promote research in Sunrise domains and enable AVGC-XR Sector to undertake R&D in innovative technologies for content creation & post-production services
2. No significant modifications in budget allocations announced for the sector

EXPECTATIONS FROM THE BUDGET

- ▶ Focus on enhancing education and skilling ecosystem
- ▶ Budget Allocation for the AVGC National Centre of Excellence
- ▶ Promote content and Intellectual Property creation

EXPECTED IMPACT

- Enhancing Skill development and employment opportunities in the sector
- Push towards innovation and generation of Intellectual Property in AVGC-XR Sector

EXPECTATIONS ACHIEVED

As an interim budget, it has carried forward most initiatives and allocations from the previous budget and we expect further announcements to enhance the overall M&E sector as well as the AVGC-XR ecosystem in the General Budget 2024-25.



MEDIA & ENTERTAINMENT

EXPERT OPINION

GOVERNMENT OF INDIA TO ENABLE OVER 30 LAKH CREATIVE JOBS CREATION IN NEXT 10 YEARS

Mohit Soni, an industry expert, highlights the robust growth of the Indian Media & Entertainment (M&E) sector, projected to grow at a promising 13% CAGR. The surge is fuelled by dynamic subsectors like Online Gaming, Animation & VFX, driven by a conducive environment and escalating demand, attracting vital investments. Despite the momentum, the challenge lies in skilling, which, if strategically harnessed, could become India's competitive advantage.

The industry, evolving with technologies like AR, AI, 5G Networks, Blockchain, and cloud computing, emphasizes skilling as a pivotal factor influencing its growth trajectory. The focus on skilling initiatives for the youth coupled with investments in institutions such as ITIs, etc. outlined in the budget promise to create a robust skilling infrastructure, meeting and surpassing global standards, potentially generating over 30 lakh direct and indirect employment opportunities.

Crucially, fostering collaboration among states becomes imperative to channelize this growth effectively. Additionally, involving academic institutions to introduce courses in the sector is vital. By uniting states and academic institutions, India can fortify its position as a talent hub for AVGC-related projects, not only boosting local employment but also attracting global production houses. The current budget as an Interim Budget, coupled with the anticipated full year budget in June as well as the impending National AVGC Policy, has the potential to propel the industry to new heights by nurturing talent, fostering innovation, and competing on a global scale.



MOHIT SONI

Chief Executive Officer
Media & Entertainment Skills Council (MESC)



The focus on skilling initiatives for the youth coupled with investments in institutions such as ITIs, etc. outlined in the budget promise to create a robust skilling infrastructure, meeting and surpassing global standards, potentially generating over 30 lakh direct and indirect employment opportunities.



MEDIA & ENTERTAINMENT

PRIMUS' TAKE

AVGC SECTOR - CREATE IN INDIA, BY INDIA, FOR THE WORLD



SAMEER JAIN

Managing Director
Primus Partners

Media and entertainment (M&E) is one of the fastest growing sectors in the country with India being the 7th largest M&E Market in the world and a market potential of \$67 billion by 2030. The government has also defined audio-visual services as one of the Champion Service Sectors in the country. This budget continues to focus on the government's objective aims to make India among the top 3 markets globally with a special focus on Animation, Visual effects, Gaming, Comics and Extended Reality (AVGC-XR). The government's focus on "Yuva" and "Mahila" along with going deeper into the country through the Aspirational District Program, Udaan, etc. has the potential to boost the M&E Sector and generate employment within it. Additionally, the allocation towards low/nil interest rate financing for research and development in the Sunrise sectors will allow incorporation of emerging technologies in the sector. Hence, the growth of the sector shall bank upon the support from stakeholders across the value chain including Policy & Regulations, Skilling, Education, Technology, Finance etc. with the objective to make Indian culture accessible to the world, connect the Indian diaspora to India, generate direct and indirect employment, and benefit tourism and other allied industries.

Considering this is an Interim Budget which shall be followed by a revised budget in a few months' time, announcements towards establishing a National Centre of Excellence dedicated to AVGC-XR related work in addition to creating the AVGC-XR Mission shall bode well for the sector. Additionally, the budgetary allocations of the government expenditure towards infrastructure creation, development and dissemination of content through various schemes under Ministry of Information and Broadcasting as well as the autonomous bodies such as FTII, SRFTI, etc as well as public sector undertakings such as NFDC will provide the right impetus to the sector.



The government's focus on "Yuva" and "Mahila" along with going deeper into the country through the Aspirational District Program, Udaan, etc. has the potential to boost the M&E Sector and generate employment within it.



MSME

Budget 2024-25 focuses on MSME sector to grow and compete globally by emphasizing on training and easing out regulatory environment.



FY 23-24
22,138
INR Crores
Revised Estimate



FY 24-25
22,138
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



29.2% Share of India's GDP (2021-22)
Of GDP



633.88 LAC Number of MSMEs in India in 22-23
MSMEs



123.6 M Employment Gendered (as on 02.08.2023)
Million people

- ★ 3.16 Cr MSMEs registered on Udyam portal (As on 4.12.2023) out of which 37.13% are women owned MSMEs
- ★ % share of MSME manufacturing output is 36.2% (2021-22)

- ★ % Share of export of MSME specified products is 43.6% (2021-22)

POLICY & REGULATORY LANDSCAPE

- Open Network for Digital Commerce (ONDC)
- Roll out of RAMP
- Udyam Assist Platform
- MyMSME
- Scheme for ODR



- PM Vishwakarma Scheme
- Green Investment & Financing for Transformation Scheme
- Scheme for Promotion & Investment in Circular Economy
- Set up MSEFCs in the States/UTs to deal with the cases of delayed payments of the MSEs

BUDGET ANNOUNCEMENTS

1. Efficient tax refunds to address the cash flow challenges faced by MSMEs
2. Skill Development & Training to encourage MSMEs to grow and compete globally
3. Ease out regulatory environment by withdrawing disputed direct tax demands
4. A Corpus to provide long term credit will enable MSMEs to invest in research & innovation in tech driven sunrise sectors

EXPECTATIONS FROM THE BUDGET

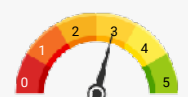
- ▶ Encourage Green Manufacturing Practices
- ▶ Focus on Women-led MSMEs
- ▶ Skill development & training initiatives
- ▶ Ease and reduce regulatory hurdles
- ▶ Technology adoption & Digital Transformation & Market Access
- ▶ Push for unsecured loans

EXPECTED IMPACT

- Increase in Global Competitiveness thereby increasing contribution of MSME in exports
- Leverage technology for improved market access and productivity
- Availability of credit with lesser regulatory hurdles

EXPECTATIONS ACHIEVED

Budget 2024-25 partly matches the expectations by focusing on skill development, easing out regulatory hurdles and invests in research and development



MSME

EXPERT OPINION

CHARTING A ROADMAP FOR THE SUSTAINABLE GROWTH OF THE MSME SECTOR

The Govt has displayed true concern for MSMEs by prioritising adequate financing as well as technological and skill upgradation apart from enabling a growth oriented and MSME friendly regulatory environment. MSMEs in the solar energy, construction, food processing, dairy and fisheries will get a huge boost by the various announcements. Empowering 3 Cr Women for entrepreneurship will translate into an entrepreneurial mindset for the generations to come. The Prime Minister's focus on financing research and innovation will significantly focus our enterprises on the path to global competitiveness.

There was a dire need to focus more on the micro entrepreneurs who are vast in numbers but are not experiencing exponential growth as compared to their counterparts & startups. It should have been ensured that they are given a level playing field so that they can grow into small and then medium enterprises eventually. We were anticipating that in the Budget 2024-25, the micro enterprises would be given relief in the GST taxation structure as they are the highest in number of taxpayers but their contribution towards tax collection is lowest. While some aspects of the Budget 2024-25 did focus on few aspects but not much announced in terms of resolving the challenges of access to credit and working capital.

The right policy and infrastructure push focused on data standards, integrated logistics and nation-wide digitization up to the rural level will massively expand India's digital commerce ecosystem while boosting opportunities for micro-entrepreneurs. Adoption of digitalisation by MSMEs need to be made simpler by cutting down on heavy compliances and regulatory measure. This in turn will also help MSMEs to adopt the D2C market route so that they can expand their business and enter the international markets. The Budget 2024 focuses on technology adoption, research & development, providing skill development and training to MSMEs and easing regulatory reforms which will aid in competitiveness and encourage MSMEs to go global. Budget 2024-25 focuses to make them more competitive globally.

Though, waiving of GST for micro enterprises would have been a welcome move which would allow lakhs of very small service providers, shops and manufacturers to legitimately conduct business without grappling with complex quarterly GST computations, filings and documentation. It would have also enhanced ease of doing business at initial levels encouraging formalization, but withdrawal of disputed tax demand will also provide a respite to the micro enterprises thereby reducing regulatory burdens.



VINOD KUMAR

President
India SME Forum

To address the industry's working capital needs, it was anticipated that Credit schemes such as CGTMSE may be expanded to enable additional Rs 2 lakh crore collateral-free lending by banks to MSMEs at competitive rates. Increase in turnover limit under MUDRA scheme would ensure increased coverage of credit to micro-enterprises in rural areas. Expansion of the credit guarantee coverage for NBFCs lending to MSMEs to 50% from current 20% as this will encourage more NBFC funding to the sector with lower defaults risk. However, the budget does not make any provisions for these schemes.

MSMEs in India are dynamic and diverse, contributing significantly to economic development, job creation, and entrepreneurial growth.

Continuous efforts by the Government support will address their challenges leading to growth and expansion of this sector.

MSME

PRIMUS' TAKE

SHIFT TOWARDS IMPROVING COMPETITIVENESS AND MAKING MSMES GLOBALLY COMPETENT

MSMEs are often considered the backbone of the Indian economy. 7.9 million MSMEs in India play a crucial role in fostering economic development, generating employment, and promoting inclusive growth. MSMEs are vital to the Indian economy as they are not only significant contributors to employment in India but contribute significantly to the country's Gross Domestic Product (29.2% in 2021-22), provides a platform for budding entrepreneurs to establish and run their businesses. The sector encourages innovation, and entrepreneurial spirit, fostering economic diversity. They often serve as suppliers to larger industries and this linkage creates a symbiotic relationship, where the growth of MSMEs contributes to the growth of larger enterprises, and vice versa. Their participation in international trade (43.6% in 2022-23) not only enhances their own growth but also contributes to the country's foreign exchange earnings. Despite significant contributors this sector is plagued with challenges such as lack of access to finance, technology, and markets, as well as regulatory hurdles.

Recognizing the importance of the sector, the Indian government implemented various initiatives and policies to support and promote MSMEs, including financial assistance, skill development programs, market linkages, and ease of doing business reforms. The goal is to empower MSMEs to thrive, contribute to economic growth, and create a more resilient and inclusive economy. Various schemes like the PMSME, CLCSS, MUDRA, Rs. 5 lakh crore ECLGS, Rs. 50,000 crore equity infusion through MSME Self-Reliant India Fund, PMSME, CGTMSE have been introduced to facilitate easy and affordable credit for MSMEs and for financial assistance. Efforts have also been made towards technology upgradation, digital initiatives, cluster development programme amongst many others. The launch of RAMP with the budget outlay of INR 6,062.45 crore over a span of 5 years, targets to improve the performance of 5.55 lakh MSMEs. Government's ONDC network has expanded its operations into more than 200 cities in the country while adding more than 36,000 merchants with a clear focus on improving competitiveness and market expansion.

Recognition of the role of MSME, need to compete globally in a green economy and need for policy environment that considers the need of MSME is important. India cannot generate the jobs it needs and compete globally without making its MSMEs competitive. Budget 2024-25 is focussing on the same by providing policy impetus to skill development and training of MSMEs to compete globally which would also facilitate their overall growth and development. Regulatory hurdles have been cited as one of the biggest challenges faced by MSMEs, and the Budget 2024-25 aims to orient the regulatory hurdles to facilitate their growth.



KANISHK MAHESHWARI

Co-Founder & Managing Director
Primus Partners

With a vision to improve the ease of doing business and reduce regulatory burden withdrawal of disputed tax demand augurs well for the MSME sector, particularly the micro units. While industry experts, associations and other stakeholders have been setting their expectations focusing predominantly on institutionalising credit, Interest Subvention Scheme, improve access to credit at competitive rates, eliminate collateral requirements. This was one aspect which has not seen any major announcements in the budget, however, the government will ensure timely and adequate finances for MSMEs. Additionally, there is a growing need to promote sustainable practices within MSMEs to meet growing environmental and social responsibility expectations and provide incentives for adopting green technologies and eco-friendly processes.

Policymakers, industry stakeholders, and MSMEs need to work together to enhance the competitiveness of the sector, thereby ensuring that MSMEs can compete globally.

MSME

EXPERT SPEAK



MR. SANJIV SETHI

Managing Director,
Gilard Electronics Pvt. Limited

“

I would like to applaud the Government for making striding efforts for the upliftment of the MSME sector. With a focus on strengthening the existing Programmes of MoMSME and improving competitiveness of MSMEs in India **Raising and Accelerating MSME Performance** was launched supported by World Bank. This is one of the kind initiatives which will strengthen the MSME eco-system across India. Evidence backed strategic plan will not only enable the States to adopt appropriate measures but also ensure improved governance and policy implementation.

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OIL & GAS

This budget is driving Energy Security and Sustainability in the Oil and Gas Sector



FY 23-24
14,757
INR Crores
Revised Estimate



FY 24-25
29,713
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



3RD Largest Energy and Oil Consumer in the World



4.9% Consumption

Petroleum Product Consumption
Overall consumption of Petroleum Products is 172.3 MMT in Apr-Dec '23 from 164.6 MMT in Apr-Dec '22



98% Coverage CGD Population Coverage

- ★ India is the 4th largest importer of liquefied natural gas (LNG).
- ★ India's target to raise the share of natural gas in the energy mix to 15% from about 6.7% by 2030
- ★ Crude oil production during Apr-Dec '23 was 20 MMT and Natural Gas production for Apr-Dec '23 was 27.21 BCM
- ★ Target of setting up 5000 Compressed Biogas (CBG) units under the SATAT Scheme.
- ★ Total 24623 operation natural gas pipeline out of 33622 KM of authorized Natural Gas Pipeline

POLICY & REGULATORY LANDSCAPE

- Mandatory Blending of CBG in CNG and PNG-2023
- Tamil Nadu CGD Policy 2023
- National Policy on Biofuels-2018 Amendment, 2022
- Pradhan Mantri JI-VAN Yojna



- Guidelines for domestic gas supply to Compressed Natural Gas (Transport) & Piped Natural Gas (Domestic) segments of City Gas Distribution networks
- Direct Benefit Transfer

BUDGET ANNOUNCEMENTS

- 100 MT Coal gasification and liquefaction capacity by 2030.
- Phase wise mandatory blending of CBG in CNG for transport and PNG for domestic purposes.
- Rs 15,000 Core for Capital Support to OMC's
- Rs 628.04 Crore for Strategic Oil Reserves
- Rs 168.01 Crore for Autonomous Bodies
- Rs 1,500 Crore for Direct Benefit Transfer – LPG
- Rs 9,094 Crore LPG Connection to Poor Households.
- Rs 1,000 Crore for IGGL-part of the Northeast NGPL Grid
- Rs 150 Crore of financial support for collection of biomass
- Rs 117.41 Crore for Pradhan Mantri JI-VAN Yojna

EXPECTATIONS FROM THE BUDGET

- ▶ To bring Petroleum Products under GST and Special additional excise duty (SAED) to be discontinued.
- ▶ Adequate budgetary provision to compensate for the losses incurred on the sale of auto fuels & LPG and continue LPG Subsidy.
- ▶ Allotment for promotion of Hydrogen in Indian Fuel Basket.
- ▶ Decrease in GST on regasification of LNG.

EXPECTED IMPACT

India is on track towards achieving 'net-zero' emissions by 2070 through different announced initiatives. These efforts support the goals of Atmanirbhar Bharat by reducing dependence on imports of natural gas, methanol, and ammonia, ensuring energy security and affordability. Simultaneously, maintaining LPG subsidies remains vital to provide clean cooking fuel access to low-income families, safeguarding their health and economic well-being.

EXPECTATIONS ACHIEVED

The Interim Budget's strategic vision aims for self-sufficiency and inclusive growth, though challenges persist regarding petroleum product taxes.



OIL & GAS

EXPERT OPINION

THE OIL AND GAS INDUSTRY: INDIA'S STRATEGY TOWARDS AN INCLUSIVE FUTURE

The 2024-25 Union Budget, framed under the theme of 'Sabka Saath, Sabka Vikas, Sabka Vishwas, and Sabka Prayas', charts a strategic course for the petroleum and natural gas sector, supported by substantial budgetary allocations and targeted initiatives. Notably, the total budget estimate for the Ministry of Petroleum and Natural Gas witnesses a remarkable increase, soaring from ₹14,757 crore of revised budget in 2023-24 to ₹29,713 crore of estimated budget in 2024-25, encompassing both capital and revenue expenditures.

This surge underscores a concerted effort to drive transformative change and address key challenges while seizing emerging opportunities. Capex for Strategic Oil Reserves (SPR) Phase II of Rs 408 Crore has been budgeted for 2024-25 while for 2023-24 revised estimate has been cut to Rs 40.01 Crore from Rs 5508 Crore (vs NIL in FY23). Phase II aims for the creation of capacity of 12.5mmt at various locations in addition to existing 5.33mmt. Despite a reduction in budget estimates for capital support to oil marketing companies from ₹30,000 crore in 2023-24 to ₹15,000 crore in 2024-25, the budget underscores a strategic realignment towards optimizing resources and fostering efficiency within the sector.

Moreover, Excise duty (on diesel/petrol) has been estimated at INR 3,188bn for 2024-25 (5% higher than 2023-24 RE of INR 3,036bn vs. 2022-23 actual amount of INR 3,190bn) – given the growth in revenue is largely in-line with petrol/diesel volume growth, this implies government is planning to largely keep excise duty on diesel/petrol unchanged in FY25. FM announced that coal gasification and liquefaction capacity of 100 MT will be set up by 2030, which will help in reducing imports of natural gas, methanol, and ammonia.

These concerted efforts, bolstered by data-driven decision-making and strategic allocations, position India on a trajectory more inclusive future, characterized by innovation and resilience within the energy sector.



SHRI DINESH K. SARRAF

Former Chairperson, Petroleum & Natural Gas Regulatory Board (PNGRB)

Former Chairperson & Managing Director, Oil and Natural Gas Corporation



Given the growth in revenue is largely in-line with petrol/diesel volume growth, this implies government is planning to largely keep excise duty on diesel/petrol unchanged in FY25.



OIL & GAS

PRIMUS' TAKE

ENHANCING SHARE OF GAS IN THE ENERGY MIX IS KEY FOR BOTH ENERGY SECURITY AND REDUCTION OF EMISSIONS



DAVINDER SANDHU

Co-Founder and Chairperson
Primus Partners

The 2024-25 Union Budget for the oil and gas sector resonates with the government's vision of achieving self-sufficiency and fostering sustainable growth. By emphasizing initiatives like the mandatory phase-wise blending of compressed biogas (CBG for CNG (T) and PNG (D)), the budget aims to reduce import dependency and bolster internal trade, supported by the establishment of major energy corridors.

This strategic approach not only enhances energy security but also creates job opportunities and accelerates progress towards the net-zero emissions goal. The financial support of Rs 150 Crore for collection of biomass underscores the commitment to reduce the import reliance, aligning with the broader goal of energy sustainability. Furthermore, the increased allotment for LPG subsidies demonstrates the government's commitment to ensuring access to clean cooking fuel for those in need.

However, the budget continues incorporating gas into the Goods and Services Tax (GST) framework. Additionally, the Special Additional Excise Duty (SAED) was initially introduced to mitigate price variations in the oil and gas market. However, its long-term continuation calls for reassessment. Overall, the budget sets a comprehensive framework for advancing the nation's energy agenda, prioritizing self-sufficiency, sustainability, and inclusive growth.



The financial support of Rs 150 Crore for collection of biomass underscores the commitment to reduce the import reliance, aligning with the broader goal of energy sustainability.



OIL & GAS

EXPERT SPEAK



SHRI RAJESH K. MEDIRATTA

Managing Director & CEO,
Indian Gas Exchange
(an IEX Venture)

“

The budget has laid a roadmap for ensuring a green gas-based economy in India. The policy mandating phased blending of CBG for CNG and PNG will help in greening the gas supply chain and balancing the demand-supply for clean fuels. Financial assistance for procuring biogas aggregation machinery would tremendously help in energising the biofuel segment. We feel this budget has created a conducive environment for the trading of clean and eco-friendly biofuels, in alignment with India’s net-zero goals.

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“

The Union Budget significantly boosts the oil and gas sector with an increase of total estimated budget with Rs 14,900 Crore in compared to the total revised estimates of Rs 14,757 crore for previous fiscal year. Initiatives like establishing coal gasification and liquefaction capacity, mandatory CBG blending, and the Green Hydrogen Mission demonstrate a commitment to energy self-sufficiency, environmental sustainability and support for CGD industry. However, the absence of announcements regarding gas under GST poses a challenge due to price competitiveness with other fuels.

”



RAJIV SIKKA

Former CEO, IndianOil -
Adani Gas Pvt. Ltd



NIKHIL DHAKA

Vice President - Public Policy,
Primus Partners

“

The Union Budget allocates over Rs 29,000 Crore to the oil and gas sector, presenting both opportunities and challenges. Notably, a significant increase in the capex for total Strategic Oil Reserves, from Rs 40.01 crore (revised estimate for 2023-24) to Rs 408 crore (budget estimate 2024-25), underscores the government’s commitment to bolstering oil reserves leading to O&G security.

”

PHARMACEUTICALS

The budget has identified initiatives which will help further accelerate the growth of the Pharma Sector both locally and globally.



FY 23-24
1,961
INR Crores
Revised Estimate



FY 24-25
3,443
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



1.7%
Of GDP
Share of the sector in India's GDP



\$130 B
Billions
Market Size by 2030

Market Size by 2030



6 LAC
People
Employment Generated by the sector

- ★ The sector contributes about 3.71% of total FDI inflows in the country across various sectors.
- ★ Total FDI inflows in Pharma and Medtech Sectors have been ₹ 1,32,568 crore from April 2000 to September 2022
- ★ Medical devices are a sunrise sector is expected to grow to USD 50 Billion by 2030 with CAGR of 16.4 %
- ★ Indian Pharmaceutical industry caters to more than 60% of global vaccine demand and is expected to register a CAGR of 10.7% over by 2029.

POLICY & REGULATORY LANDSCAPE

- National Policy on Research & Development and Innovation in the Pharma-Med Tech Sector in India



- The National Medical Devices Policy, 2023
- Assistance to Medical Device Clusters for Common Facilities (AMD-CF)

BUDGET ANNOUNCEMENTS

1. A corpus of rupees 1 lakh crore with fifty-year interest free loan to encourage the private sector to scale up research and innovation
2. Focus to encourage vaccination for girls in age group of 9 to 14 years for prevention of cervical cancer
3. Bio-Manufacturing and Bio-foundry scheme for environment friendly Bio-Pharmaceuticals
4. Emphasis on Economic Corridor & Ease of Doing Business will further strengthen Exports

Pharma	Rs Crore		
	FY 24	FY 25	% change
Development of Industry	265	1,300	391%
PLI Pharma	1,696	2,143	26%
Total	1,961	3,443	76%

EXPECTATIONS FROM THE BUDGET

- ▶ Healthcare spending to increase to 2.5% of GDP
- ▶ Further focus on Promotion of Research & Innovation Program

EXPECTED IMPACT

- Will help accelerate India's goal of becoming the Pharmaceutical Hub of the World
- Strengthening Healthcare systems to mitigate the disease burden

EXPECTATIONS ACHIEVED

The budget has targeted increasing reach and awareness of preventive care like vaccinations, while reducing the environmental impact of the industry



PHARMACEUTICALS

EXPERT OPINION

INTERIM BUDGET 2024-25 FAVORABLE FOR PHARMACEUTICAL SECTOR, CREATES OPPORTUNITIES FOR R&D AND INNOVATION

As the Union Budget 2024 – 2025 is announced, the current Government has clearly demonstrated its focus once again towards the development of the country. The interim budget is favorable to the Pharma sector and has higher Budget Estimates for the FY 2024-25. The corpus of rupees one lakh crore to be established with fifty-year interest free loan to encourage the private sector to scale up research and innovation is a significant step towards boosting R&D and the same will significantly support the sector in building capabilities and innovation. This also showcases the trust the Government has in its Startups and the increase entrepreneurial spirit of India.

The Pharmaceutical industry is also excited about the new Bio-Manufacturing and Bio-foundry scheme which sets a path for 2030 climate goals and takes ahead the advocacy of Indian G20 Presidency towards Climate and Sustainability.

The budget also focused on its vision to encourage vaccination for girls in age group of 9 to 14 years for prevention of cervical cancer which showcases Government's faith in the pharmaceutical sector and the strength of innovation in India and to take forward the 'Make in India' principle of India. With steady focus of Indian Government on vaccination, the Life Sciences and Pharmaceutical sector has huge opportunity for R&D, Innovation and Growth thereby also significantly impacting the human lives.

India has been a huge manufacturer of Pharmaceuticals and exporter thereby being referred to as the Pharmacy of world. The emphasis which the interim budget had on Economic Corridor and the ease of doing principles for improving trade efficiency is a positive step reducing the logistics burden and faster trade. The focus on bilateral investment treaties is also going to significantly foster international collaboration which will act as a fillip for the sector and will create opportunity of newer markets for the Indian pharmaceutical industry.

As an interim budget, the Government has laid its focus straight and we can expect in the coming full budget there will be renewed focus on Healthcare and Pharmaceutical sector with increased financial outlays, streamlined tax regulations and simplified regulatory requirements.



DR. ROHIT SINGH MALA

Public Policy Expert

“

The Pharmaceutical industry is also excited about the new Bio-Manufacturing and Bio-foundry scheme which sets a path for 2030 climate goals and takes ahead the advocacy of Indian G20 Presidency towards Climate and Sustainability.

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PHARMACEUTICALS



PRIMUS' TAKE

PHARMACEUTICAL SECTOR WITH INCREASED FINANCIAL OUTLAY WILL BOOST MANUFACTURING CAPABILITIES, R&D AND INNOVATION



ANURAG SINGH

Managing Director
Primus Partners



The PLI scheme for Pharma is focussed at Key Starting Materials, Drug Intermediates and Active Pharma Ingredients. These are the building blocks for making the medicines we consume.



The FY 25 Interim budget is favourable for the Pharma industry. The outlay of development and PLI schemes has increased by 76% to Rs 3,443 crores and will boost the production capacity. R&D is the key to long-term success of the Pharma industry. Schemes for startups, bio-manufacturing, bio pharmaceuticals announced in the budget will give a boost to the innovation in the industry.

Pharma	Rs Crore		
	FY 24	FY 25	% change
Development of Industry	265	1,300	391%
PLI Pharma	1,696	2,143	26%
Total	1,961	3,443	76%

The objective of the Development of Pharmaceutical Industry scheme is to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector and has three sub-schemes:

- Assistance to Pharmaceutical Industry for Common Facilities (APICF) to provide infrastructure support for pharma MSMEs clusters for strengthening the infrastructure facilities.
- Promotion of Technology Upgradation Assistance Scheme (PTUAS) to address the issues of technology upgradation of individual pharma MSMEs.
- Pharmaceutical and Medical Device Promotion & Development Scheme (PMPDS) to create awareness, to conduct survey, studies, organize seminars, events.

Quadrupling of the budget outlay for the scheme is a step in the right direction. This 'investment' by the Government is likely to reap rich dividends.

The PLI scheme for Pharma is focussed at Key Starting Materials, Drug Intermediates and Active Pharma Ingredients. These are the building blocks for making the medicines we consume. By strengthening the base of the industry, this scheme is helping the industry as a whole. As the PLI scheme is progressing, new capacities being built up by the recipients are coming online. This will result in higher production, and hence higher production linked disbursement. The FY 25 PLI budget captures this well with 26% increase in allocation.

The announcements about corpus for one lakh crore for 50 year interest free loan for R&D, support to bio-pharma, bio-manufacturing and bio-foundry are all good steps towards supporting R&D for pharma. Innovation is the key for long term success in the industry, and these initiatives will greatly help the Pharma industry to make concerted efforts towards the same. Innovation will result in better products and services to the consumers as well as increase the value addition in the industry.

POWER & RENEWABLES

Green Budget 2024: India invests in wind, clean fuels, EV ecosystem, and blue economy for a zero-carbon future.



FY 23-24
17,365
INR Crores
Revised Estimate



FY 24-25
20,502
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



2.6% Share of the sector in India's GDP



\$22 B Market Size in FY 23-24 Billions



10 LAC Jobs Employment generated by the sector

- ★ AT&C losses down to 15.41% (provisional) in FY 22-23, by RDSS reforms.
- ★ Rural areas now see 20.6 hours average electricity, while cities enjoy 23.8 hours

- ★ Total generation capacity of 9,943 MW added in the current year 2023-24

POLICY & REGULATORY LANDSCAPE

- PM Suryodaya Yojana
- Production-Linked Incentive (PLI) Scheme
- Ease of Doing Business Reforms
- Revamped Distribution Sector Scheme
- PM-KUSUM



- SAMARTH Mission
- NAPCC
- 500 GW Renewable Energy by 2030
- National Biogas Programme
- Net-Zero by 2070

BUDGET ANNOUNCEMENTS

1. Commitment to meet 'Net Zero' by 2070
2. Rooftop solarization-1 crore households will be enabled to obtain up to 300 units of free electricity per month
3. New scheme of biomanufacturing and bio-foundry to be launched to support environment friendly alternatives
4. Coal gasification and liquefaction capacity of 100 MT will be set up by 2030.

EXPECTATIONS FROM THE BUDGET

- ▶ Increase in overall allocation
- ▶ Revision in GST rates
- ▶ Incentives for green energy
- ▶ Promote indigenous development

EXPECTED IMPACT

- By investing in green technologies and creating new industries like bio-manufacturing, the policies aim to foster sustainable economic growth and job creation.

EXPECTATIONS ACHIEVED

Budget 2024 takes positive steps towards clean energy, sustainable practices, and climate resilience.



POWER & RENEWABLES

PRIMUS' TAKE

RENEWABLE ENERGY – INDIA'S DRIVE FOR A GREEN ECONOMY AND ENERGY SECURITY

India is the third largest energy-consuming country in the world and has made progress in universal electrification. However, per capita electricity consumption is still low and expected to increase. The government aims to promote renewable energy to advance economic development, improve energy security, and mitigate climate change. Evidence of the Government's focus on RE is seen from the recently launched Pm Suryodaya Yojana to solarise 1 crore households at an estimated expenditure of INR 2 lakh crores. The renewable energy sector has the potential to create jobs and attract foreign investments.

The share of solar and wind energy in certain states is higher than the national average, leading to system integration challenges. Power system flexibility and demand response are important for the transformation of the electricity sector. The government is also focusing on green hydrogen as a key element in decarbonizing industries.

However, RE is an intermittent source, and must be assisted for round the clock reliable supplies. Currently, this function is performed by base-load power generation, largely from thermal power, and lesser assistance from hydro systems. In this scenario, the maximum limit of using RE will be about 30%-35% of the total power consumption. To increase this threshold, RE will need support from storage. One possible solution is using batteries, but this remains an expensive option.

The government is considering retrofitting hydropower plants for storage with pumped storage, and large-scale production and use of hydrogen. The Government is expected to provide support for PSP and there can be an aggressive roll out of the just announced PM Suryodaya scheme. Considering green hydrogen as a key element in decarbonizing industries and incentivize on site production and consumption using RE power, the upcoming Budgets, whether this February or later in June 2024, can be expected to provide support for these initiatives.

As we approach the Budget 2024, various industries, including the EV sector, are setting their expectations. The EV Industry is poised to transform India's transportation, requires a strong emphasis on upskilling and reskilling through centrally sponsored schemes, essential for cultivating a skilled workforce in this evolving field. In the Indian context, it is critical to support EV retrofitting as a transition path to a full EV scenario. The addition of retrofitting to FAME II and III, and the launch of action for 8 lakh EV buses can also find reflection in the upcoming budgets. Sustainable growth in the EV sector hinges on technological advancements to reduce costs, improve range, and innovate charging infrastructure. The government's focus should therefore be on creating reliable charging infrastructure in Tier II and III cities, promoting open data standards and APIs for interoperability and a robust software ecosystem. The industry is awaiting updates on GST. A uniform 5 per cent GST on all EV ecosystems is a long-standing industry demand.

The push for green economy and energy security will see a sustained push in upcoming budgets.



DAVINDER SANDHU

Co-Founder and Chairperson
Primus Partners



In the Indian context, it is critical to support EV retrofitting as a transition path to a full EV scenario. The addition of retrofitting to FAME II and III, and the launch of action for 8 lakh EV buses can also find reflection in the upcoming budgets.



REAL ESTATE & URBAN DEVELOPMENT

Focus on continuing investments on urban infrastructure with specific focus on mass transit & housing for urban poor, women youth and farmers.



FY 23-24
76,431
INR Crores
Revised Estimate



FY 24-25
77,524
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



7-8% Share of the sector in India's GDP



\$840 B Billions

Estimated Requirement till 2036



\$55 B Billions

FDI Inflow from 2000 to 2022

- ★ Second-highest employment generator, after the agriculture sector
- ★ Directly impacts over 300 ancillary industries

- ★ Urbanization expected to reach 34% by next census enumeration (2024-25)

POLICY & REGULATORY LANDSCAPE

- Housing For All
- Green and Sustainable Development
- Scheme for special assistance to states for capital Infrastructure



- Real Estate (Regulation and Development) Act
- Urban Infrastructure Development Fund
- Impact of Interest Rates on Housing Loans
- Ease of Living / Quality of Life

BUDGET ANNOUNCEMENTS

1. PMAY (U) - 2 Crore more houses in next 5 years
2. New Housing Scheme for Middle Class group
3. Continuation of Special Assistance to states for capital Infrastructure –Urban Reforms
4. Metro and Namoo Bharat for Public Transport

EXPECTATIONS FROM THE BUDGET

- ▶ Boost to Public Transport, Housing for middle class and reform-linked capital Assistance to States

EXPECTED IMPACT

- Improved Accessibility to housing
- Boost to transit oriented development
- Performance linked incentives to states

EXPECTATIONS ACHIEVED

The budget has focused on Urban transformation, improving urban public transport and new initiatives for housing and real estate.



REAL ESTATE & URBAN DEVELOPMENT

EXPERT OPINION

NEED SPOTLIGHT ON SOCIAL COMMUNITY RENTAL HOUSING TO SOLVE INDIAN HOUSING PROBLEMS

Typically, interim budgets refrain from major policy announcements, yet they hold significance as they provide insights into ongoing discussions within government corridors. In the recent interim budget, the Honorable Finance Minister disclosed ambitious plans for the PM Awas Yojana (Grameen), targeting the construction of 2 crore houses in the next 5 years. Furthermore, a scheme catering to the urban middle class, facilitating home purchase or construction, was introduced.

While the government's emphasis on ownership-based housing is crucial and should encompass measures ensuring affordability, equal attention must be given to the Social Rental Housing Ecosystem. The rapid growth of cities nationwide presents substantial opportunities for economic and social advancement, attracting a surge in migration. However, sustaining such expansion, where housing affordability is limited, poses challenges.

The imperative role of rental housing becomes evident when considering the annual migration of millions seeking better economic prospects in cities. Rental housing serves as their initial residence, acting as a launchpad for career development before progressing to home ownership. This was starkly evident during the onset of the Covid pandemic, witnessing widespread reverse migration of urban poor due to inadequate housing.

To address the housing needs of the migrant population, governments must refocus on the importance of rental housing in India. This entails establishing supportive policy and regulatory frameworks, reforming urban planning, ensuring financial viability, encouraging private sector participation, and expediting the development of rental housing.



GAUTAM CHATTERJEE

Former Chairperson
Maharashtra Real Estate
Regulatory Authority
(MahaRERA)

EXPERT SPEAK



SRIKANTH VISWANATHAN

CEO,
Janaagraha Centre for
Citizenship and Democracy

“

The Indian Urban and Housing sector has seen a positive paradigm shift through flagship schemes like SBM, AMRUT, Smart Cities, PMAY etc in the last 10 years. The momentum arising from the same should continue to build a strong foundation for vision of India@2047. The budget announcement on Public Transport, Housing for middle class, reform-linked capital Assistance to States will act as catalyst for the sector. The focus on Poor, Women and Youth is welcome and can catalyze equitable development in our cities and address dignity of housing and services for migrants too.

”

REAL ESTATE & URBAN DEVELOPMENT

PRIMUS' TAKE

TRANSFORMING THE URBAN DEVELOPMENT SPACE: BUILDING FOR THE FUTURE



AARTI HARBHAJANKA

Co-Founder & Managing Director
Primus Partners

The 2024-25 budget maintains the ongoing commitment to investments in Urban and Housing development, aligning with the previous years' strategies. Established schemes like Pradhan Mantri Awas Yojana, AMRUT, and Swachh Bharat are anticipated to evolve in their next iterations, shaping up in the upcoming budget.

A significant focus has been directed towards the development of mass transit systems, specifically Metro rail and NaMo Bharat, accompanied by transit-oriented development along these routes. This emphasis is likely to extend to the next phase of reforms associated with accessing funds under the Scheme for Special Assistance to State for Capital Infrastructure (SSASCI), maintaining a consistent allocation of 1.30 lakh crore, similar to the previous year. Additionally, there is a concerted effort to leverage electric buses, aligning with the objectives of the PM e-Bus Sewa scheme launched in 2023-24, aimed at enhancing urban mobility.

Building on the existing momentum, the anticipated focal points for the urban and housing development sector in the upcoming detailed budget in July 2024 should include:

- Encouraging Green and Sustainable Housing & Infrastructure in Urban Areas
- Inclusive Urban and Housing Development, ensuring ease of living for all strata of the population
- Promoting Rental Housing Development, especially in the context of Social Housing
- Enhancing Affordability of Housing in urban areas to meet the needs of the aspiring migrant population
- Implementing a dedicated program to enhance the capacities of local governments, institutions, and functionaries in the use of technology, sustainable financing, and developing bankable projects, while improving their borrowing capacities.
- Exploring ways to leverage the provision of 15-year interest-free debt for innovation and research in the field of urban development, whether through institutions, start-ups, or other vehicles.



A significant focus has been directed towards the development of mass transit systems, specifically Metro rail and NaMo Bharat, accompanied by transit-oriented development along these routes.



REAL ESTATE & URBAN DEVELOPMENT

EXPERT SPEAK



DR. NIRANJANI HIRANANDANI

Founder & MD,
Hiranandani Group

“

Hon'ble FM decoded an integrated and equitable growth budget outlay encompassing significant social reforms, enhancing economic growth value chain, emphasize of sunrise sectors and impetus to urban & rural housing with mega infrastructure projection. Keeping the fiscal consolidation target at 5.1% will decrease the cost of borrowing for businesses and industries. This in turn will help stimulate economic growth, stabilize the economy and reduce the risks of inflation.

The enhancement in infrastructure outlay by 11% will bode well for firming up the growth of residential, commercial and industrial real estate asset classes across the geographies. The augmentation of multi-modal corridor connectivity with new railway corridors and doubling of airports and ports corridors will have a multiplier effect on the real estate landscape.

The extension of the PMAY scheme for rural areas is in accordance with the objective of Housing for all laid by the Hon'ble PMO. A focused direction is set for addressing the housing deficit needs of the urban poor with the buy or build house motto.

”

“

As the Government strives to transform India into a 'Developed India' by 2047, we anticipate the Real Estate Sector to significantly contribute to this milestone. Overall, A forward-looking interim budget has been presented, reaffirming the government's dedication to fulfilling all essential commitments pertaining to infrastructure development, social welfare, and economic initiatives.

The government's announcement to introduce a scheme facilitating the urban middle class in purchasing or constructing their own homes heralds a substantial economic stimulus and promises considerable benefits for consumers. Moving forward, the government's commitment to initiating the construction of an additional 2 crore houses under PMAY (Gramin) within the next five years is a major boost to improve the rural economy.

In the urban space, the expansion of the Metro and Namoo Bharat initiatives will receive significant support, particularly in large cities, with a focus on transit-oriented development. This will not only improve the urban infrastructure but also improve accessibility, reduce traffic congestion, and promote sustainable modes of transportation, ultimately enhancing the quality of life for residents.

”



RAJAN BANDELKAR

President, NAREDCO

Founder & MD,
Raunak Group

TECHNOLOGY

The Interim Budget focuses on scaling R&D, developing fintech sector, and making India the leading startup hub. Corpus fund of INR 1 lakh crore with 50-year interest free loan for scaling up research and innovation by private sector in sunrise domains.



FY 23-24
14,421.25
INR Crores
Revised Estimate



FY 24-25
21,385.15
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



7.5% Share of the sector in India's GDP



\$245 B Market Size in FY 23-24

Market Size in FY 23-24



2.9 LAC Employment Generated by the sector

- ★ 134.6 billion digital transactions (FY23), a substantial increase from 20.7 billion in FY18
- ★ Most preferred destination for global capability centres

- ★ Over 1,00,000 DPIIT-recognized start-ups, making India the third largest start-up destination globally

POLICY & REGULATORY LANDSCAPE

- National Deep Tech Policy
- Digital Advertisement Policy
- National Optical Fibre Network
- Digital India Bill
- RBI Draft Framework for SROs in Fintech



- PLI for IT Hardware
- The National Quantum Mission (NQM)
- The Digital Personal Data Protection Act
- National Blockchain Framework
- GST on Gaming

BUDGET ANNOUNCEMENTS

1. A new scheme to be introduced for strengthening deep-tech technologies.
2. Empowerment of startups and entrepreneurship through more initiatives.
3. A corpus of INR 1 lakh crore to scale research and innovation in tech.
4. AatmaNirbhar based approach for defence-based tech development.
5. Scaling GIFT City to attract global capital.

EXPECTATIONS FROM THE BUDGET

- ▶ Enhanced support for global capability centres (GCC).
- ▶ Reduced MAT for start-ups
- ▶ Policy for emerging technologies and adequate budgetary allocations.

EXPECTED IMPACT

- Focus on GIFT City effectuates global tech presence.
- The increased budget will generate more startup friendly initiatives.
- R&D will propel more innovation & IP in emerging tech.

EXPECTATIONS ACHIEVED

Emphasis on startups and allocation towards R&D have been commendable. Going ahead, focus on AI & cybersecurity will be key.



TECHNOLOGY

EXPERT OPINION

TECHNOLOGY FOR UPLIFTING YOUTH, WOMEN, FARMERS AND THE POOR

Even though the four pillars – “Garib, Mahila, Yuva and Annadata” may sound like a budget to suit the elections, picking these for classes of people for the growth & welfare agenda, I feel is a master stroke, despite this being an interim budget. Further, this statement covers two important dimensions of Inclusivity and Empowerment, which is important for our nation across all industries.

I would like to club the above four as two groups:

- Inclusivity Dimension focusing on The **FARMERS** and the **POOR** who will benefit from the growth and welfare agenda for the nation, and
- The Empowerment dimension is focusing on **YOUTH & WOMEN** as two of the “doers” who will lead/ help in achieving the objectives of welfare and growth.

Financial assistance to farmers (PM-KISAN), Crop insurance (PM-Fasal Bima Yojana), Integration of Mandis under E-NAM could become massive initiatives in the Agri sector, which demands large scale digitization opening opportunities for Agri Fin Tech as well as Technology enablement. With large scale penetration of smart phones in the country, the digital input and content consumption are not much of a problem today in India. Still, the scale of the digitization required to get all these programs fully digitized is massive and opens a large opportunity for the tech sector at large. Further, Startups with deep understanding of the grassroots level problems in this space, with a technology solution that is easy to implement has a nationwide opportunity with this focus from the Govt.

For ensuring faster growth of the Agri sector, the plan to promote private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chains, primary and secondary processing and marketing & branding looks promising. This could enable setting up a full ecosystem where tech lead startups could play a prominent role. Furthermore, with the focus on women entrepreneurship, such as the 80 Lakh+ SHGs in the rural areas who are transforming rural socio landscape, can create multiple micro women entrepreneurs who play the role of nodes in this large Agri ecosystem, like in aggregation, warehousing, processing, packaging, logistics as well as in digitizing the same, creating fin tech solutions for lending and in tech enabled quality control of produce.

Even the solar power initiative that was mentioned by the prime minister requires a nimble footed approach to electrifying the nation. This opens a large opportunity for startups focusing on solar and green energy to come up with products as well as solution for digitizing the process and usage.



SREEDHAR PRASAD

Startup and Internet Business Advisor

The 1 Lakh crore corpus for startups/ MSMEs is a bold move to enable entrepreneurship, and when implemented will add a lot of confidence to today's youth in taking up entrepreneurship as a career. Today this is largely limited to business/technology professionals or children from families having a business of their own. Further, this could even reduce the migration of workers from their hometowns to the top cities in India in search of jobs. The power of entrepreneurship to serve their own cities/states is required in today's world for inclusive development across states.

While the phrase “Tech sector/ Startups” often may paint only the picture of digital native companies which we all know of or use. However, the smaller startups solving local smaller problems are equally critical for the overall growth of the nation, and I feel the above initiative will significantly fuel this category of entrepreneurs.

I would consider all of this, when implemented, becomes a significant opportunity for the Tech/ Startup Sector at large, if the entrepreneurs are willing to focus on “Made for India”.

TECHNOLOGY

PRIMUS' TAKE

PAVING THE WAY FOR THE NEXT TECH REVOLUTION



ARUN MORAL

Managing Director
Primus Partners

The Interim Budget's announcement of a corpus of INR 1 lakh crore to be established with a fifty-year interest free loan, is a significant development for the country's budding youth and startup ecosystem. This has the potential to steadfast India's startup revolution and penetrate to more cities and towns of the country. Moreover, the Budget's mention of women participation in entrepreneurship reflects an inclusive view of the sector potential. Going forward, India needs to prioritise the following emerging pillars that will further contribute to this tech led acceleration.

1. Global Capability Centres – GCC

India houses 1600+ GCC's, out of which 42% are IT Industry sector and the remaining shared among BFSI (20%), Manufacturing (15%), etc. Since last two years, one out of every five new GCC's are being setup in tier-II & tier-III cities (Ahmedabad, Mysuru, Vadodara, Nashik, Tirunelveli, and Coimbatore) making emerging preferred hubs. The GCCs have total revenue clocking over USD 33 billion, local employee base of over 1 million and anticipated growth triple in the next 3-5 years. This sector has both revenue and rapid urbanisation of tier-II and tier-III cities, making it most promising sector in the current era.

2. Digital Payment-as-a-Service (D-a-a-S)

India's unparalleled display on Digital Payments (DP) has put India on global hot spot. With \$1.7 trillion worth transactions in fiscal year 2023, India's UPI is becoming a global preference. Many countries including Japan, Singapore, UAE, France, UK, Japan extended interest to embrace UPI. In November 2023 the cross-border payment tie-up between Singapore's PayNow and India's Unified Payments Interface (UPI), the first international payment systems link to use scalable cloud-based infrastructure, is currently clocking close to 3,000 transactions a month, benefiting the Indian diaspora through a sharp reduction in remittance. India UPI services are offered to commonwealth nations. This digital transformation has not only put India in prime spot globally, but also have huge rebates in forex for transactions, which we anticipate for more investment and incentives.

3. Combating Cyber Fraud

More than 75% of Cybercrimes in India are related to - Financial Frauds, amounting to over INR 30,000 crores. Burgeoning financial frauds are spreading across the tier-II and tier-III cities without much financial institutional safeguards (cyberfraud insurances) being well established, making it critical for investments provisioning in this year's budget to combat cyber risk exposures. While the country is in the pathway of creating regulations such as DPDP Act, upcoming Digital India Act, technical reformations in CERT-In and National level Cyber Security Policy in making, puts huge impetus on the need for institutional strengthening measures.



The Interim Budget's announcement of a corpus of INR 1 lakh crore to be established with a fifty-year interest free loan, is a significant development for the country's budding youth and startup ecosystem.



TECHNOLOGY

PAVING THE WAY FOR THE NEXT TECH REVOLUTION

CONTD.

4. Quantum Security

The recently passed Telecom Bill reassures that remain with IT Act of MeitY puts a lot of impetus to ensure secure communication, highly confidential and classified exchanges in Defence, etc. The need for Quantum based advanced cryptographic tools are required to prevent potential compromises particularly in triple service engines voice-data-video such as WhatsApp, Telegram, etc. While multiple companies are mushrooming in India and globally, the investments into creating standards, policy, Centre-of-Excellence with sandboxing needs to be created. In order to improve the incentivize of the startups in this potential, these are much-needed for technology infrastructure. India's ₹6,000-crore quantum mission, announced in April 2023. The project aims to deliver intermediate-scale quantum computers with 50-1,000 physical qubits by 2031 and "make India one of the leading nations in the development of Quantum Technologies & Applications (QTA)." India is looking to get an investment of \$800 million to \$1 billion. Moreover, MeitY has developed India's first quantum computing applications lab fostering development of quantum algorithms community of researchers & enthusiasts.

5. Responsible AI

Specialized Research Clusters: Establish specialized research clusters within CoEs focusing on niche areas of AI like quantum AI, neuro-symbolic AI, or ethical AI, encouraging deep dives into specific domains. AI Innovation Challenges: Launch national and international AI challenges or hackathons hosted by CoEs to solve real-world problems, driving innovation and attracting global talent. Public-Private R&D Labs: Form collaborative R&D labs within CoEs with private sector partners, focusing on commercializing AI research. Incubation and Accelerator Programs: Create incubator and accelerator programs within CoEs to support AI startups and entrepreneurs from ideation to market entry. International Academic Partnerships: Forge partnerships with leading global AI research institutions for student and faculty exchange programs, joint research, and shared curriculum. This calls for potential huge investment provisions in the upcoming post-election financial budget.



TECHNOLOGY

EXPERT SPEAK



AMRITA CHOUDHURY

Director, Cyber Cafe Association of India (CCAOI)

“

The Interim Budget 2024-25 of India, under the vision of 'Viksit Bharat', reflects the government's continued commitment to advance India's technological and social development. Setting up a one lakh crore rupees corpus for research and innovation, backed by a fifty-year interest-free loan, emphasises the strong push towards nurturing cutting-edge research and innovation in sunrise domains and promoting innovation. This initiative is set to catalyse significant private sector participation in technology and scientific research which is aligned to India's aspirations to be a digital power.

The mention of thirty crore Mudra Yojana loans to support and encourage women entrepreneurs underlines the government's commitment to encourage women empowerment and leadership in business.

These measures collectively aim to enrich India's tech landscape by promoting diversity and inclusivity, fostering a dynamic environment where varied perspectives can drive innovation and growth. The interim budget's overarching theme emphasizes not just technological advancement, but also social empowerment, ensuring that progress benefits all sections of society especially women.

”

“

I commend India's 2024 interim budget for its targeted measures to boost construction and innovation. The focus on digital infrastructure aligns with Autodesk's goals of fostering innovation in design and construction, as well as leveraging technology for economic progress and societal well-being. The budget's emphasis on sustainable growth in infrastructure and advanced technology integration is a significant step towards transforming India. Cultivating strong industry and government collaborations will become increasingly crucial and I am confident these efforts will serve as catalysts for the realization of these transformative goals, paving the way for a brighter and more innovative future for India.

”



RAJEEV MITTAL

Managing Director, India & SAARC, Autodesk

TEXTILES

The textiles sector has witnessed a 27.5% increase in the budget from the previous year



FY 23-24
3,443.09
INR Crores
Revised Estimate



FY 24-25
4,392.85
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



2.3% Share of the sector in India's GDP



\$165 B Billions

Market Size in FY 22



438 LAC People

Employment Generated by the sector

- ★ India has a 4% share of the global trade in textiles and apparel
- ★ Textile & apparel industry is the 2nd largest employer in India

- ★ India is the 2nd largest producer of silk in the world
- ★ Total textile exports are expected to reach \$65 Bn by FY26

POLICY & REGULATORY LANDSCAPE

- National Textile Policy
- PM Mega Integrated Textile Region and Apparel (MITRA) Park Scheme
- Production Linked Incentive (PLI) Scheme
- National Technical Textiles Mission
- Handicrafts Sector Scheme
- Handloom Sector Scheme



- Jute Sector Schemes
- Scheme for Capacity Building in Textile Sector (SAMARTH)
- Amended Technology Upgradation Fund Scheme (ATUFS)
- Textile Cluster Development Scheme (TCDS)
- Integrated Processing Development Scheme (IPDS)
- Integrated Wool Development Programme (IWDP)
- Scheme for Integrated Textile Parks (SITP)

BUDGET ANNOUNCEMENTS

1. The Interim Budget 2024 indicated a large increase in outlay for research and capacity building in textiles.
2. Several announcements were made regarding ancillary sectors; infrastructure, technology, MSMEs, and green energy.
3. New Scheme on bio-manufacturing and bio-foundry to be launched.
4. 1 lakh crore corpus for research loans in sunrise sectors like technical textiles sector.

EXPECTATIONS FROM THE BUDGET

- ▶ Greater budget allocation for the textiles industry.
- ▶ Incentives for textile machine manufacturing.
- ▶ Increased focus and allocation for technical textiles.

EXPECTED IMPACT

- Greater focus on green and sustainable energy and manufacturing processes.
- Increased focus on R&D and textile technology research and innovation.
- Increase in textile units/parks powered by wind energy.

EXPECTATIONS ACHIEVED

While most announcements related to supplementary Ministries and Departments, it is expected that they will indirectly boost the textiles and apparels sector.



TEXTILES

EXPERT OPINION

A BRIGHT AND PROSPEROUS FUTURE AHEAD

The Ministry of Textiles has played a monumental role in advancing the textiles sector. Be it the announcement of PM MITRA parks across the nation, or bringing together diverse stakeholders through national level events, there is a clear action towards the 5F vision of the Government. With the announcement of a 27.5% increase in the Interim Budget 2024, India is making positive headway in reclaiming our connect to our ancient crafts and propelling it towards the future.

The Integrated and Sustainable Textile Policy 2023-28 launched by the Government of Maharashtra aims to contribute to the sector's growth and attract INR 25,000 Cr of investment and 5 lakh employment. The Policy focuses on sustainability, research and development and capacity building. Our Policy is in alignment with the Budget announcements on wind energy and the proposed biomanufacturing scheme. These will provide a stimulus for industry, especially technical textiles, to set its vision for the future with greater opportunities for collaboration and innovation.



VIRENDRA SINGH

Secretary

Department of Textiles,
Government of Maharashtra



DEVROOP DHAR

Co-Founder & Managing Director

Primus Partners

PRIMUS' TAKE

TEXTILES TO BENEFIT FROM INFRASTRUCTURE & MSME SUPPORT

India is already well on its way to being a key contributor to the global market, and with the increase in financial outlay, MSME support initiatives and announcements for Gati Shakti aimed at reducing logistics costs, we can expect greener pastures. Upcoming international platforms such as the Bharat Tex 2024 Global Textile Expo in February 2024 will further incentivize large ticket investments in the sector.

Our recent report, 'Decadal Outlook for Textile Industry', portrays how existing schemes such as the PM MITRA Park Scheme, and the Amended Technology Upgradation Fund Scheme (ATUFS) have transformed the sector. In order to solidify the foundation for incubation, growth, and investment there is a need for greater convergence between schemes of the centre and states as well as allied Departments and Ministries. While some states have already made significant progress in this regard, there is consensus on the need for improved ease of doing business through digital public infrastructure and service delivery platforms.

TEXTILES

EXPERT SPEAK



DR. T. V. SREEKUMAR

Director, Bombay Textile Research Association (BTRA)

“

As research and innovation grows in technical textiles, we look forward to witnessing an increased investment in technical textile manufacturing. With the Budget’s focus on promoting bio-manufacturing, especially through biodegradable polymers and bio-plastics, we can expect increased interest and investment in the field. As an organization continually focusing on sustainable and circular textiles, we also hope for a greater focus on quality testing, which will establish India as a leader in the field.

”

“

Technical textiles account for about 11% of the total textile industry in India. This is less than half the global average of 27%. However, the low contribution of technical textiles also means that there is a huge opportunity for growth in this area in India. With the growing global and domestic demand for technical textiles, it is envisaged that the technical textile sector will grow at 12 % in India. However, this growth would require an ecosystem where both trained technical manpower and finance are available. In this reference, the one lakh crore corpus with a fifty-year interest-free loan on research and development in textile technology is a welcomed step. This will create a renewed interest among younger generations to take textile engineering as a viable career option and facilitate a plethora of startups in the sector. In these initiatives by the government, we are proud to be an integral technology partner through our education, research, and development efforts, especially in advanced composites. With these initiatives, Atmanirbhar Bharat is truly an achievable dream, and we hope to lay the foundation through a strong focus on innovation and technology.

”



PROF. ASIM TEWARI

Professor,
Indian Institute of
Technology, Bombay

TOURISM

Focus on integrated development of destinations and marketing thereof.



FY 23-24
2,400
INR Crores
Revised Estimate



FY 24-25
2,449.62
INR Crores
Budgeted Estimate

SECTOR AT A GLANCE



6%
Of GDP

Share of the sector in India's GDP



\$16.9 B
Billions

Foreign Exchange Earnings in the year 2022



44%
Increase

YoY increase in Talent Demand

- ★ Foreign Tourist Arrival stands at 7.5 MN plus in 2023
- ★ The travel market is projected to reach US\$ 125 BN by FY27

- ★ Tourism sector projected to contribute US\$ 250 BN by FY30 in India's GDP

POLICY & REGULATORY LANDSCAPE

Campaigns

- Incredible India campaign
- Incredible India Tourist Facilitators
- Yuva Tourism

Schemes

- Swadesh Darshan
- PRASHAD
- Adopt a Heritage



Linked Schemes

- HRIDAY (Housing & Urban Affairs, now closed)
- e-Visa and Visa on Arrival (External Affairs)
- Ude Desh Ka Aam Nagrik (Civil Aviation)
- Swachh Bharat Abhiyaan (Rural Development, Housing & Urban Affairs)

BUDGET ANNOUNCEMENTS

1. Integrated development of destinations
2. States to be supported for marketing of destinations internationally
3. Investment into tourism infrastructure on island union territories such as Andaman & Nicobar Islands and Lakshwadweep Islands

EXPECTATIONS FROM THE BUDGET

- ▶ Legacy schemes such as Swadesh Darshan and PRASHAD to continue
- ▶ Possible new scheme for integrated development of destinations
- ▶ States to be supported for direct marketing of destinations internationally

EXPECTED IMPACT

- Existing tempo of tourist inflows to continue
- Development of cities as MICE destinations in the wake of G20 events
- Possible inclusion as a focal area for infrastructure lending

EXPECTATIONS ACHIEVED

Special emphasis on further development on surge of domestic tourism by developing spiritual tourism as a specific programmatic activity in the sector's development plan.



TOURISM

PRIMUS' TAKE

UNION BUDGET 2024-25 UNVEILS BOLD VISION FOR TOURISM: INTEGRATED DEVELOPMENT, GLOBAL MARKETING, AND SPIRITUAL DESTINATIONS TAKE CENTRE STAGE

The interim Union Budget of 2024-25 has focused significantly on tourism even as schemes of the Government (Central Sector) such as PRASHAD and Bharat Darshan continue, with new cities etc. being added, the key aspect of focus is the integrated development of destinations. The inclusion of 60 cities across India during the various events of the G20 summit and their performance has evinced that there is a far greater appetite for MICE (Meetings, Incentives, Conferences and Exhibitions). Coupled with the focus on integrated development of destinations, this opens up an entire new world of possibilities for attracting investment and facilitating the same through financing options. A key takeaway from the budget is that States should now be able to avail funds for marketing their tourist destinations directly at international forums, similar to what is seen in several EU nations.

Specific reference being made to development of tourist facilities in the island union territories of India specifically the Lakshadweep Island cluster is a welcome continuation of prior initiatives of the Island Development Authority under NITI Ayog. The Integrated Island Management Plan (IIMP) should help balance the growing demands of tourism with future socio-ecological sustainability thereof. It also helps India emerge as a viable alternative to international destinations within the region.

At the same time, general domestic and international tourism including spiritual tourism will continue to drive the bulk of travel demand. Even as States continue to focus and develop on different corridor and spiritual destinations, this is likely to be supplemented by a huge demand for appurtenant infrastructure.

A specific focus would be to consider a 'chain' of 108 religious – "Darshanmala" destinations which may be developed through a scheme that is funded by the Union Government in part, promoted by the host State and possibly invested into by the private sector as 'complete destinations'.

Although not directly related but focus on dedicated rail connectivity for ports and freight essentially frees up capacity on the passenger side, some of which can be conveniently routed to this destination. Evidence from investment into infrastructure during the development of Buddhist circuit indicates a viable model of infrastructure that is supported by tourism. This manner of integrated development can serve as a template for regional circuit development, coupled with the tempo created through schemes such as UDAN for development of airports.



SHUBHAM KATYAYAN

Vice President
Primus Partners

“

A specific focus would be to consider a 'chain' of 108 religious – "Darshanmala" destinations which may be developed through a scheme that is funded by the Union Government in part, promoted by the host State and possibly invested into by the private sector as 'complete destinations'.

”

TOURISM

EXPERT SPEAK



DR. SHIKHA JAIN

Founder - Director,
DRONAH

“

Government's priority for promoting and showcasing Indian Heritage is reflected well in the Budget 2024 with a focus on integrated development of tourism sites and capitalizing on the potential of spiritual tourism, besides, the G20 induced opportunities in terms of MICE tourism.

”



FMCG

The investments in supply chain and clarity in e-commerce framework is driving growth in FMCG sector.

SECTOR AT A GLANCE



10% Share of the sector in India's GDP



\$179 B Market Size in FY 23-24



30 LAC Employment Generated by the sector

- ★ 4th largest sector in Indian economy
- ★ 5% of the total factory employment in India

- ★ 7-9% growth by revenues in 2022-23

POLICY & REGULATORY LANDSCAPE

- PLI Scheme for Food Processing
- Self Employment and Talent Utilization (SETU) scheme



- Automatic investment approval up to 100 per cent foreign equity for NRI and overseas corporate bodies
- FDI in organized retail

BUDGET ANNOUNCEMENTS

1. Government will promote private and public investment in post-harvest activities.
2. Substantive development of all forms of infrastructure-Physical, Digital and Social.
3. Tax benefits to Start-ups and investments made by sovereign wealth funds/pension funds.

EXPECTATIONS FROM THE BUDGET

- ▶ Promote development of supply chain in rural sector
- ▶ Measures to enhance rural job creation & consumption.

EXPECTED IMPACT

- Will help boost overall disposable income, especially in the rural economy
- Boost local production and cultivate resilient economy.

EXPECTATIONS ACHIEVED

FMCG sector continue to grow and benefit on the back of investments in agriculture, technology, skill development and infrastructure.



FMCG

EXPERT OPINION

NAVIGATING POST BUDGET LANDSCAPE: ITC PERSPECTIVE

The Interim budget for 2024-25 through its continued focus on the four pillars, namely, the poor, farmer, women and youth has provided a boost to India’s continued all round development. For a while now, parts of the world are in the middle of widespread recessionary headwinds and geopolitical crisis, and India through its timely and consistent policy framework and interventions has waded the situation in the most exemplary manner.

The budget has introduced several measures that are likely to boost demand in the FMCG sector. Notably, the emphasis on rural and agricultural development is a promising sign. As a company deeply rooted in the Indian ethos, with a substantial portion of our consumer base located in rural areas, ITC views this as an opportunity to deepen our market penetration.

This interim budget once again showcases the governments wide array of understanding of difficult situations and through focus on employment generation, catalyzing growth by concentrating on innovation, infrastructure development, boosting farmer incomes and intensifying steps towards achieving a net zero by 2070- has made us confident of an even better tomorrow in the times to come. We congratulate the government for this interim budget, which for us has all the elements required for achieving glory for the nation.



ANIL RAJPUT

President
Corporate Affairs, ITC Limited

EXPERT SPEAK



VARINDER PAL SINGH

Managing Director,
Enrich Agro

“

The renewed emphasis on infrastructure spending and focus on skill upgradation mentioned in the Union Budget are greatly uplifting for the Indian markets. The array of policies introduced are set to enhance disposable income especially for rural markets, which is a welcome development for the FMCG sector as it navigates through the challenges of inflation.

”

FMCG

PRIMUS' TAKE

DECIPHERING UNION BUDGET'S IMPACT ON INDIA'S FMCG SECTOR



KANISHK MAHESHWARI

Co-Founder & Managing Director
Primus Partners

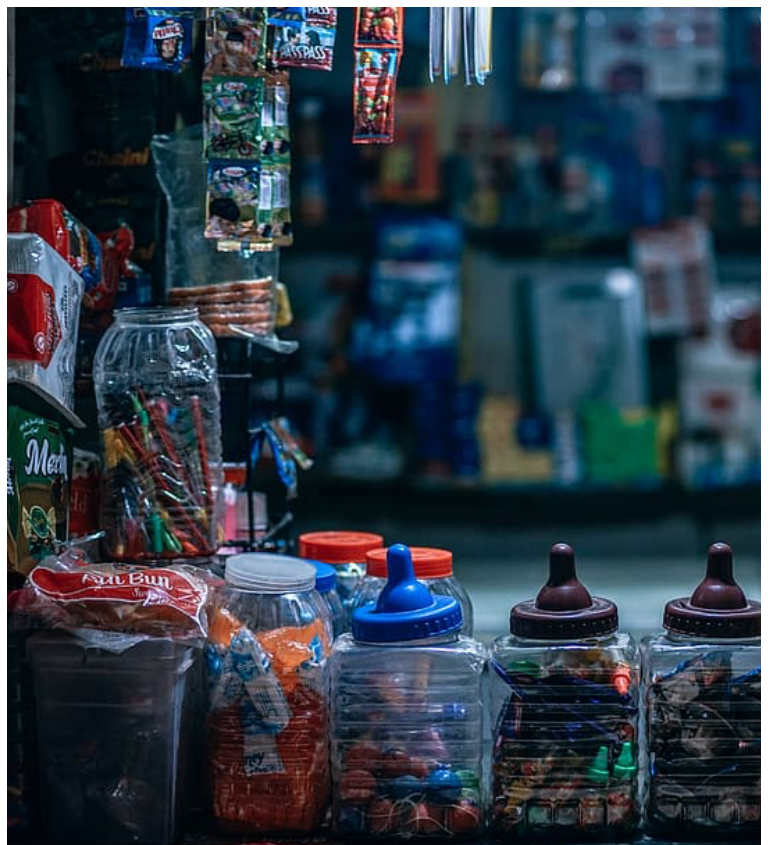
The Union Budget's pronouncements have traditionally been a compass for industries, charting the course for economic and sectoral trends in India. This year's Union Budget didn't announce anything specific to the FMCG business, but an increased focus on improving the technology and agricultural infrastructure will serve as a boon for the industry.

At the outset, the Government's focus on infrastructure development and rural economy bodes well for the FMCG sector. Infrastructure improvements, particularly in rural areas, could mean better supply chain efficiencies for FMCG companies, reducing costs and enhancing market reach. Increased rural spending power, thanks to the government's agricultural and rural initiatives, is likely to spur demand for consumer goods, benefiting the sector immensely.

We see this Budget as a time for strategic re-evaluation and agile adaptation, steering FMCG companies towards long-term profitability and growth.



Infrastructure improvements, particularly in rural areas, could mean better supply chain efficiencies for FMCG companies, reducing costs and enhancing market reach.



IMPROVING THE BUSINESS ENVIRONMENT

Continued focus on improving regulatory environment across domains especially on MSMEs.

EASE OF DOING BUSINESS - AT A GLANCE

- ★ Reduced 39,000+ regulatory compliances.
- ★ Decriminalized 3400+ legal provisions,
- ★ Reducing compliance burden by repealing, amending and subsuming redundant laws.
- ★ Shift towards digitization by creating online interfaces.
- ★ Reduction in the average processing time of returns reduced from 93 days to ten days, thereby making refunds faster.

KEY REFORMS & INITIATIVES

- Integration with National Single Window System (NSWS)
- Building sectoral journey on the NSWS for priority & service sectors
- Business Centric Reforms pertaining to Central Ministries: DPIIT, DGFT, DoT, MCA, MoMSME, Ministry of Finance, Power etc.



- Enabling Single Business User ID - PAN
- Mandating constitution of institutional framework in line with PM Gati Shakti guidelines at State and District Level
- Implementation of dashboards pertaining to Regulatory Compliance & Decriminalization
- Integrating ease of living and ease of business

BUDGET ANNOUNCEMENTS

1. Easing of regulatory environment by withdrawing disputed direct tax demands
2. Procedural simplification for a more efficient custom clearance resulting in regulatory ease for international trade.
3. Reduction in regulatory burden to facilitate the growth of MSMEs
4. Increased capital expenditure to improve connectivity under PM Gati Shakti will result in building a more cost-effective supply chains

EXPECTATIONS FROM THE BUDGET

- ▶ Timebound implementation of PM Gati Shakti master plan and standardization of institutional framework for better governance.
- ▶ Continued focus on reducing and streamlining regulatory compliances across sectors, especially MSME

EXPECTED IMPACT

- Faster adoption and implementation of projects under PM Gati Shakti
- Increase in Global Competitiveness thereby increasing contribution of MSME in exports
- Boost in investor's confidence

EXPECTATIONS ACHIEVED

Budget 2024-25 partly matches the expectations by focusing on implementation of projects under PM Gati Shakti and streamlining regulatory compliances for MSME.



IMPROVING THE BUSINESS ENVIRONMENT

EXPERT OPINION

DRIVING BUSINESS SUSTAINABILITY

The interim budget places a significant emphasis on sectors like tourism, infrastructure, and clean energy. This strategic focus, particularly on clean energy, holds promising implications for businesses across various industries.

By prioritizing clean energy initiatives, the government not only fosters sustainable development but also creates a conducive environment for business operations. The transition towards clean energy sources not only aligns with global sustainability goals but also presents opportunities for businesses to adopt greener practices, reduce operating costs, and enhance competitiveness.

Ultimately, the promotion of clean energy initiatives is poised to contribute to the overall ease of doing business by fostering innovation, efficiency, and long-term viability.



DR. S. RAVI

Founder and Managing Partner
Ravirajan & Co LLP

Chairman
TFCI



IMPROVING THE BUSINESS ENVIRONMENT



RAKSHA SHARDA

Vice President
Primus Partners

“

With continued focus on rationalizing archaic laws and to boost investor confidence, the interim budget made it evident that ease of doing business is going to be a top priority for the government.

”

PRIMUS' TAKE

EMPOWERING GROWTH: INDIA'S REMARKABLE LEAP IN EASE OF DOING BUSINESS

India made a substantial leap upward in enhancing business activity and removing those bottlenecks that constrain it. Regulatory reforms such as reducing timelines for procedures and permits issued, joint site inspection, online single window system, digitization of cadastral maps, establishment of dedicated commercial courts, India Customs Electronic Gateway (ICEGATE) portal among many other reforms paved way for this massive achievement and has led to the ease of doing business.

Government of India introduced state level rankings to promote ease of doing business to provide a level playing field for all the business across the country. This exercise had also evolved drastically from only having business centric reforms pertaining to states to coverage of business centric reforms pertaining to Central Ministries, introduction of Ease of Living, initiatives such as PM Gati Shakti, reducing regulatory compliance through decriminalization and focus on sectoral approach. Easing out of regulatory reforms for the MSME sector has been a continued vision for the Government. The Budget 2024-25 is a clear example of the same wherein announcements like withdrawing disputed direct tax demands is an advanced step to regulate the business environment for MSMEs.

With continued focus on rationalizing archaic laws and to boost investor confidence, the interim budget made it evident that ease of doing business is going to be a top priority for the government. Announcement of procedural simplification for a more efficient custom clearance will not only result in regulatory ease for international trade but further boost international trade. Increased capital expenditure by 11.1%, implementation of three major economic railway corridor programmes under PM Gati Shakti has taken a center stage to provide impetus to infrastructure growth, improve connectivity under PM Gati Shakti which will result in building a more cost-effective supply chain.

The ongoing efforts as showcased in the interim budget to enhance Ease of Doing Business in India underscore the government's commitment to foster a favorable environment for investment and economic growth. Embracing these reforms in a timely manner will be crucial for realizing India's full potential as an attractive destination for business and innovation.

IMPROVING THE BUSINESS ENVIRONMENT

EXPERT SPEAK



NISHANT ARYA

Vice Chairman,
JBM Group

“

Fueling the future means investing in Green initiatives today. In the upcoming budget, priority lending support for the EV sector is expected, which can help India become a global EV manufacturing and technology hub. It is time to power up electric vehicle manufacturing and enhance support infrastructure. Balancing the ease of doing business with a commitment to sustainability ensures not only economic prosperity but also environmental stewardship.

”

“

With an increase in capital expenditure, the government is actively pursuing growth potential and job creation. This budget prioritizes opportunities for private sector infrastructure investments, aiming to lay a foundation for future prosperity. For further growth of textile industry, it's time to pivot towards alternative and emerging technologies, ensuring sustainability and readiness for future skills. Embracing emerging technologies is key to enhancing the ease of doing business in our rapidly evolving landscape.

”



HEMANT BHARAT RAM

Managing Director,
DCM Nouvelle Limited



SUVANKAR SEN

Managing Director & CEO,
Senco Gold & Diamonds

“

Amidst a surge in exports the Gems & Jewelry industry is undergoing a transformative evolution. This strategic pivot reflects a steadfast commitment to innovation and sustainability, fortified by support in research & development as highlighted in the interim budget. Through bilateral agreements and strategic partnerships with e-commerce platforms, the industry is primed to unlock new horizons in the global jewelry market. Embracing e-commerce is imperative in enhancing the ease of doing business in today's digital age.

”



RESERVE BANK OF INDIA
GUARANTEED BY THE CENTRAL GOVERNMENT

मैं धारक को
पांच सौ रुपये
अदा करने का
बचन देता हूँ।
गिनित और पेटल
तब तक

I PROMISE TO
PAY THE BEARER
THE SUM OF FIVE
HUNDRED RUPEES



5WN

RESERVE BANK OF INDIA
GUARANTEED BY THE CENTRAL GOVERNMENT



MAHATMA GANDHI

भारतीय रिज़र्व बैंक
केन्द्रीय सरकार द्वारा जारी

6D



महात्मा गांधी

MAHATMA GANDHI



MAHATMA GANDHI

पांच सौ रुपये

भारतीय रिज़र्व बैंक
केन्द्रीय सरकार

भारतीय रिज़र्व बैंक
केन्द्रीय सरकार

5WN 48

RESERVE BANK OF INDIA
GUARANTEED BY THE CENTRAL GOVERNMENT

मैं धारक को
पांच सौ रुपये
अदा करने का
बचन देता हूँ।
गिनित और पेटल
तब तक

I PROMISE TO
PAY THE BEARER
THE SUM OF FIVE
HUNDRED RUPEES



₹500

5WN 48989

RESERVE BANK OF INDIA
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₹500

₹500

भारतीय रिज़र्व बैंक
केन्द्रीय सरकार

5WN 489

LOOKING AHEAD

LOOKING AHEAD

As the interim budget for 2024 concludes, it provides a clear indication of the government's priorities and offers insights into the forthcoming main budget that would be aligned to Viksit Bharat. We believe the incoming governments' budget is likely to take forward the vision of Viksit Bharat that should also include bold reforms in areas such as:

01 TDS/TCS Processes Review with a view to reduce Cost of Doing Business

Initiating automatic monthly refunds for MSMEs and gig workers when TDS/TCS collections exceed 10% of expected liability will significantly benefit these crucial sectors of the Indian economy without negatively impacting government finances.

02 GST Flexibility for MSME Growth

Extend GST payment deadlines for select MSMEs based on risk profiling, utilize GST Tax Audit data for identifying eligible sectors, and implement surcharges for delayed payments, to improve MSME cash flows, support honest taxpayers, and reduce operational costs.

03 Incentivising Women to Join the Workforce

Recognizing and valuing female labour, especially in domestic and unpaid sectors, through policies like formalizing the status of ASHA and Anganwadi workers and implementing support mechanisms for domestic workers, aimed at promoting gender equality and sustainable economic growth.

04 'Ghar Wapsi' of Unicorns

To attract startups back to India, the government can provide financial incentives, establish a support cell under Invest India for regulatory and market assistance, and potentially recuperate costs through taxes from the startups' future growth and public listings.

05 SDG Financing

Leverage CSR funds to address India's SDG financing gap in vital areas through a dedicated fund, amplify contributions via a multi-tiered strategy and global SDG bonds, and establish a transparent, centralized platform to manage these funds and stakeholder engagement, thereby multiplying CSR impact and fast-tracking India's SDG achievements.

06 PLI Continuation and Expansion

Expanding PLI benefits to emerging sectors like semiconductor manufacturing, electric vehicles, and renewable energy equipment can significantly boost innovation, increase production volumes, attract foreign investments, and enhance India's export competitiveness.

07 Strengthening of Banks

As investments in infrastructure grow, it's crucial to strengthen our banking system to increase its ability to lend, ensure financial stability, and support continuous economic growth. This means banks need to improve their capital reserves, better manage risks, and adhere to stricter regulations.



2019

2021



CORE BUDGET TEAM



Nilaya Varma
Co-Founder and
Chief Executive Officer



Davinder Sandhu
Co-Founder and
Chairperson



Aarti Harbhajanka
Co-Founder and
Managing Director



Charu Malhotra
Co-Founder and
Managing Director



Devroop Dhar
Co-Founder and
Managing Director



Kanishk Maheshwari
Co-Founder and
Managing Director



Anurag Singh
Managing Director



Arun Moral
Managing Director



Sameer Jain
Managing Director



Shravan Shetty
Managing Director



Ajay Kumar
Vice President



Amit Dugar
Vice President



Ipsita Gauba
Vice President



Nikhil Dhaka
Vice President



Pragya Priyadarshini
Vice President



Raksha Sharda
Vice President



Sayantani Chatterjee
Vice President



Shristi Singh
Vice President



Shubham Katyayan
Vice President



Sumit Chaudhary
Vice President



Vivek Tandon
Vice President



Arindam Pal
Asst. Vice President



Namita Repe
Asst. Vice President



Sagar Salunkhe
Asst. Vice President



Saumya Pathak
Asst. Vice President



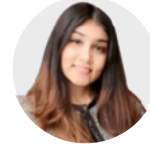
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Juhi Talwar
Manager



Kamakshi Verma
Manager



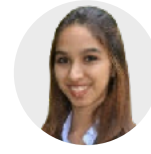
Palak Singh
Manager



Sarim Khan
Manager



Suman Kasana
Manager



Veda Halve
Manager



Vijeth Kanahalli
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Anshuman Singh
Sr. Consultant



Archana Trivedi
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Gitika Wahal
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Harsh Agrawal
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Indranuj Pathak
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Nishant Kumar
Sr. Consultant



Perna Lenka
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Sadia Zafar
Sr. Consultant



Sanjana Mishra
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Vanshika Sagar
Sr. Consultant



Rakshit Khulbe
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