

Finance Minister Nirmala Sitharaman on 1st Feb presented the Interim Budget 2024. This was an interim budget ahead of the general elections later this year. The Interim Budget 2024 was focused on youth and women empowerment, while maintaining fiscal consolidation and continuing capex. Finance Minister lowered down FY25 fiscal deficit target to 5.1% of the GDP. There were no changes made to the direct tax and indirect tax rates. Budget will empower the four pillars of developed India, namely the young, poor, women and farmers. This is the budget for building the India of tomorrow and reflects the dreams and aspirations of the youth of India. Budget empowers the poor and middle class and will create countless employment opportunities for youth. Additionally, the "historic" budget included startup rebates.

Key Highlights:

Economic Agenda & Budget Priorities: Economic agenda focuses on three things – facilitating ample opportunity for citizens, providing a stronger impetus to growth and job creation, stabilizing the macro-economy. The Budget adopts the following seven priorities. They complement each other and act as the 'Saptarishi' guiding us through the Amrit Kaal. 1) Inclusive Development 2) Reaching the last mile 3) Infrastructure and Investment 4) Unleashing the Potential 5) Green Growth 6) Youth Power 7) Financial Sector.

Capex Boost & Infrastructure: The government continued its focus on infrastructure development, the Interim Budget 2024 has proposed to raise capital expenditure for the fourth consecutive year by 11.1% to ₹11.11 lakh crore, which is 3.4% of the GDP.

- A capital outlay of Rs. 2.55 lakh crore has been provided for railways. Which is marginally higher than the Rs. 2.4 lakh crore announced in the previous year's budget.
- Three major economic railway corridor programmes will be implemented– (1) energy, mineral, and cement corridors, (2) port connectivity corridors, and (3) high-traffic density corridors.
- The India air carriers have placed orders for 1,000 new Aircraft.
- The Ministry of Road Transport and Highways (MoRTH) will get Interim Budget allocation of Rs 2.78 lakh crore in FY25, up 2.8 percent on year.
- Federal govt to allocate 3.86 trillion rupees to states for spending on infrastructure in 2024-25.
- The government's emphasis on infrastructure, which includes tourism projects, Metro Rail and Nammo Bharat extension to new cities, and assistance for EV manufacture and infrastructure for charging, is in line with the country's developmental objectives.

Fiscal Consolidation:

- India's fiscal deficit target is estimated to be 5.1 per cent of GDP for FY25 with estimated gross market borrowings at Rs. 14.13 lakh crore and net market borrowings at Rs. 11.75 lakh crore.
- Government is committed to reducing the fiscal deficit below 4.5 per cent by 2025-26, adding that fiscal deficit in 2024-25 is estimated to be 5.1 per cent of GDP.
- It is high on optics, low on spending impact as fiscal consolidation remains its paramount focus. The key announcements on the power sector coupled with new energy, railways, defense, affordable housing are indeed encouraging.

Healthcare, Education & Skilling Sector:

- New medical colleges will be established.
- Health cover under the Ayushman Bharat scheme will be extended to all ASHA and Anganwadi workers and helpers.
- The government will encourage the vaccination against cervical cancer of girls in the age group of 9-14 years for the prevention of the disease.
- Skill India has trained 1.8 crore youths, upskilled and re-skilled 54 lakh youths and established 3,000 new ITIs.
- Efforts are on to make India a Viksit Bharat by 2047.
- The surge in female enrollment in higher education, especially in STEM programs, is uplifting with over 43% women in STEM programs.
- A large number of HEIs, namely 7 IITs, 16 IIITs, 7 IIMs, 16 AIIMS, and 390 universities have been set up.

Agriculture and Co-operation

- Government to take further initiatives to boost productivity across the agricultural sector, including dairy, fisheries, and oilseeds, Atmanirbhar Oilseeds Abhiyaan would be extended.
- To ensure faster growth of the sector, our Government will further promote private and public investment in post-harvest activities.
- A comprehensive program to support dairy farmers, tackle the Foot and Mouth Disease among cattle.
- Matsya Smapada Yojana has helped double seafood exports from 2013-2014.

Tax:

- Slabs and Tax rates are as follows:

Total Income (Rs)	Rate (%)
Up to 3,00,000	Nil
From 3,00,001 to 6,00,000	5
From 6,00,001 to 9,00,000	10
From 9,00,001 to 12,00,000	15
From 12,00,001 to 15,00,000	20
Above 15,00,000	30

- Income of up to Rs. 7lakh will not have to pay any tax. Rebate limit raised from Rs. 5 lakh to Rs. 7lakh in the regime.
- The tax regime will now be the default tax regime, but citizens can still avail of benefits under old tax regime on opt-out basis.
- Surcharge for higher tax-slab reduced to 25% from 37%, this would result in the reduction of the maximum tax rate from 42.7% to 39%.
- Leave Encashment limit increased from Rs. 3lakhs to Rs. 25lakh.
- **Strategy for Amrit Kaal:** The government will implement economic policies that support and maintain growth, enable equitable and sustainable development, raise productivity, give everyone access to opportunities, assist people in developing their potential, and help produce the resources needed to support investments and realize goals. Government to provide timely and appropriate funding, technologies and training for MSMEs to grow and compete at a global level.
- **Electricity:** By installing solar panels on the roof of 10 million houses, they will be able to get up to 300 unit of free electricity per month. The initiative is in line with the Prime Minister's statement on the auspicious day of the dedication of Shri ram mandir at Ayodhya.
- **Tourism:** Budget shows heavy focus on domestic tourism. States will be offered interest-free loans to boost tourism within their borders. Tourism including spiritual tourism, has tremendous opportunities for local entrepreneurship. Projects for port connectivity, tourism infrastructure, and amenities will be taken up on our islands, including Lakshadweep.
- **Economy Then and Now:** The government now has the trust, confidence, and blessings of the people to accomplish the goal of "Viksit Bharat" with good intentions, true dedication, and hard work in the upcoming years and decades. This is due to the government's excellent track record of governance, development and performance, effective delivery, and "Jan Kalyan."
- **Green Energy:** The Budget included a set of measures aimed at achieving the goal of 'net zero' by 2070. Viability gap funding shall be granted to tap into the potential of offshore wind energy for an initial capacity of one gigawatt. Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes will be mandated.
- **Technology:** New-age technologies and data are changing the lives of people and businesses. A corpus of rupees one lakh crore will be established with a fifty-year interest-free loan. The corpus will provide long-term financing or refinancing with long tenors and low or nil interest rates. This will encourage the private sector to scale up research and innovation significantly in sunrise domains.

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