

Interim Budget Summary 2024

- The Finance Minister Nirmala Sithatraman finished her interim Budget speech today (Feb 1) within an hour.


Key takeaways from the Interim Budget 2024:

1. Housing:

- Government will launch a scheme to help deserving sections of the **middle class** “living in rented houses or slums or chawls and unauthorized colonies” to buy or build their own houses.
- **Rooftop solarization** — one crore households will be enabled to obtain up to 300 units free electricity every month.
 - “This scheme follows the resolve of Prime Minister on the historic day of consecration of Ram Mandir in Ayodhya”, said the Finance Minister.
- **PM Awas Yojana (Grameen)** – Two crore more houses will be taken up in the next five years to meet the requirement arising from increase in the number of families.

2. Health:

- **Vaccination** for girls in the age group of 9 to 14 years for prevention of **cervical cancer**.
- Government plans to set up more **medical colleges** by utilizing the existing hospital infrastructure under various departments.
- Upgradation of anganwadi centres under “**Saksham Anganwadi and Poshan 2.0**” will be expedited.
- **U-WIN platform** for managing immunization and intensified efforts of **Mission Indradhanush** will be rolled out expeditiously.


KEY Highlights 

ON HEALTH

- **Ayushman Bharat scheme** to cover all **Asha** and **Anganwadi workers** and helpers
- Govt to encourage **vaccination** for girls aged **9-14** for prevention of **cervical cancer***
- Govt to focus on **setting up more medical colleges** by utilising existing hospital infrastructure

*Cervical cancer, which develops in a woman's cervix, is the 2nd-most common cancer among women in India

INTERIM BUDGET 2024



- Extension of healthcare cover under **Ayushman Bharat scheme** to all ASHA workers, Anganwadi Workers and Helpers.

3. Agriculture and Allied Sectors:

- Application of **Nano DAP** on various crops will be expanded in all agro-climatic zones.
- A strategy will be formulated to achieve '**ATMA NIRBHARTA**' for oil seeds.
 - Focused oil seeds - mustard, groundnut, sesame, soybean, and sunflower.
- A comprehensive programme for supporting dairy farmers will be formulated. The success of existing schemes such as Rashtriya Gokul Mission, National Livestock Mission, and Infrastructure Development Funds for dairy processing and animal husbandry will act as guiding light for such a programme.

- Implementation of **Pradhan Mantri Matsya Sampada Yojana (PMMSY)**, according to the speech, will be stepped up to
 - Enhance aquaculture productivity from existing 3 to 5 tons per hectare.
 - Double exports to 1 lakh crore.
 - Generate 55 lakh employment opportunities in near future.
- **Five integrated aquaparks** will be setup.

KEY Highlights The Indian EXPRESS

ON KEY SCHEMES

- **PM-Kisan** outlay (govt's flagship cash transfer scheme) **unchanged at Rs 60,000 crore**
- **PM Awas Yojana** (credit-linked subsidy scheme) spend in FY25 seen at **Rs 80,671 crore** VS FY24 revised estimate of **Rs 54,103 crore**
- **PM Garib Kalyan Anna Yojana** outlay (food security welfare scheme) at **Rs 2.05 lakh crore**

INTERIM BUDGET 2024

4. Women:

- Eighty-three lakh SHGs with nine crore women are transforming rural socio-economic landscape with empowerment and self-reliance.
- The government aims to enhance the target for **Lakhpati Didi** from 2 crore to 3 crore.

5. Youth and Technology:

- For the tech savvy youth — A corpus of rupees one lakh crore will be established with **fifty-year interest free loan**.
- The corpus will provide long-term financing or refinancing with long tenors and low or nil interest rates.
- A new scheme will be launched for strengthening deep-tech technologies for defence purposes and expediting 'atmanirbharta'.

6. Infrastructure Development:

- The outlay for the next year is being increased by 11.1 percent to **11.11 lakh crore rupees**. This would be 3.4 percent of the GDP.
- **Three major economic railway corridor** programmes will be implemented. These are as follows.
 - Energy, mineral and cement corridors
 - Port connectivity corridors
 - High traffic density corridors.
- The projects have been identified under the **PM Gati Shakti** for enabling multi-modal connectivity.
- **Expansion of Metro and NaMO Bharat** will be supported in large cities focusing on transit-oriented development.

KEY Highlights The Indian EXPRESS

ON INFRASTRUCTURE

- Focus on improving **tourist infrastructure** in Lakshadweep
- Support for middle class to **build their own houses**
- 5 integrated **aqua parks** to be set up
- Govt to pay most attention to **develop eastern region**

INTERIM BUDGET 2024

KEY Highlights The Indian EXPRESS


ON RAILWAYS

- **40,000 rail bogies** to be converted to Vande Bharat standards
- **Metro Rail, Nano Bharat** will be expanded to more cities
- **3 Railways corridors** — port connectivity corridor; energy, mineral and cement corridor; and high traffic density corridor— will be built

INTERIM BUDGET 2024

7. Environment and Green Energy:


- **Viability gap funding** will be provided for harnessing offshore wind energy potential.
- **Coal gasification and liquefaction capacity** of 100 MT will be set up by 2030.
- **Financial assistance** will be provided for procurement of biomass aggregation machinery.
- 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.

KEY Highlights 

ON DEVELOPMENT

- Through **roof-top solarisation**, **1 crore households** will be enabled to obtain up to 300 units of free electricity every month
- Plan to build **2 crore affordable houses** in 5 years
- For **tech-savvy youth**, a corpus of **Rs 1 lakh crore** will be established with **50-year interest free loan**
- Aim to make India '**viksit**' (developed) by 2047

INTERIM BUDGET 2024



- **Electric Vehicle Ecosystem** – Support to manufacturing and charging infrastructure.
- Greater adoption of **e-buses** for public transport networks will be encouraged through payment security mechanism.
- For promoting green growth, a new scheme of bio-manufacturing and bio-foundry will be launched.
- **Blue Economy 2.0** - A scheme for restoration and adaptation measures, and coastal aquaculture and mariculture with integrated and multi-sectoral approach will be launched.

8. Tourism:

- States will be encouraged to take up comprehensive development of iconic tourist centres, branding and marketing them at global scale.
- A framework for rating of the centres based on quality of facilities and services will be established.
- **Long-term interest free loans** will be provided to States for financing such development on matching basis.

- For **domestic tourism** - projects for port connectivity, tourism infrastructure, and amenities will be taken up on our islands. It will also include Lakshadweep.

9. FDI:

- The FDI inflow during 2014-23 was USD 596 billion marking a golden era. That is twice the inflow during 2005-14.
- For encouraging sustained foreign investment - Negotiating bilateral investment treaties with the foreign partners, in the spirit of 'first develop India'.

10. Population Growth and Demographic Changes:

- The Government will form a **high-powered committee** for an extensive consideration of the challenges.

11. Reforms in the States:

- A provision of seventy-five thousand crore rupees as a **fifty-year interest free loan** is proposed this year to support reforms by the State Governments.

12. Revised Estimates 2023-24:

- The Revised Estimate of the total receipts other than borrowings is Rs. 27.56 lakh crore, of which the tax receipts are 23.24 lakh crore.

KEY Highlights The Indian EXPRESS

ON FISCAL DEFICIT, GDP

- FY25 fiscal deficit seen at **5.1%** vs FY24 revised estimate of **5.8%**
- FY25 **nominal GDP** growth seen at **10.5%**
- FY25 **divestment target** at **Rs 50,000 crore**
- FY25 **capex** seen at **Rs 11.1 lakh crore** vs FY24 revised estimate of **Rs 9.50 lakh crore**

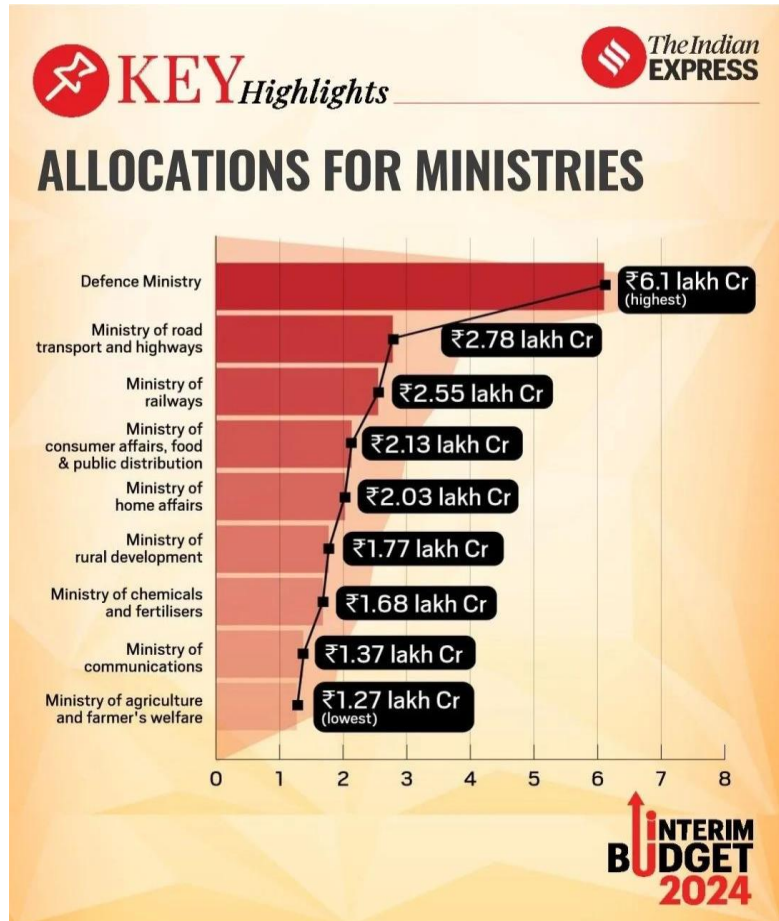
INTERIM BUDGET 2024

- The Revised Estimate of the total expenditure is Rs. 44.90 lakh crore.

- The revenue receipts at Rs. 30.03 lakh crore are expected to be higher than the Budget Estimate.
- The Revised Estimate of the **fiscal deficit is 5.8 percent of GDP.**

13. Budget Estimates 2024-25:

- The **fiscal deficit in 2024-25 is estimated to be 5.1 percent of GDP**, adhering to that path.
- The scheme of fifty-year interest free loan for capital expenditure to states will be continued this year with a total outlay of **Rs. 1.3 lakh crore.**
- The total receipts other than borrowings and the total expenditure are estimated at Rs. 30.80 and 47.66 lakh crore respectively.
- The tax receipts are estimated at Rs. 26.02 lakh crore.



14. Direct Taxes:

- Over the last ten years, the direct tax collections have more than trebled and the return filers swelled to 2.4 times.
- **Under the new tax scheme, there is now no tax liability for taxpayers with income up to Rs. 7lakh, up from Rs. 2.2lakh in the financial year 2013-14.**
- The threshold for presumptive taxation for retail businesses was increased from Rs. 2crore to Rs. 3crore.
- The threshold for professionals eligible for presumptive taxation was increased from Rs. 50lakh to Rs. 75 Lakh.

- **Corporate tax rate** was decreased from 30 percent to 22 percent for existing domestic companies and to 15 percent for certain new manufacturing companies.
- The age-old jurisdiction-based assessment system was transformed with the introduction of Faceless Assessment and Appeal, thereby imparting greater efficiency, transparency and accountability.
- Introduction of updated income tax returns, a new Form 26AS and prefilling of tax returns have made filing of tax returns simpler and easier.
- Average processing time of returns has been reduced from 93 days in the year 2013-14 to a mere ten days this year, thereby making refunds faster.

15. Indirect Taxes:

- GST has reduced the compliance burden on trade and industry.
- **Tax base of GST more than doubled.**
- The average monthly gross GST collection has almost doubled to Rs. 1.66 lakh crore.
- State's SGST revenue, including compensation released to states, in the post-GST period of 2017-18 to 2022-23, has achieved a buoyancy of 1.22.
- Number of steps were taken in Customs to facilitate international trade.

KEY Highlights The Indian EXPRESS

ON TAXATION

- **No changes** in taxation, both direct and indirect
- Propose to **extend tax exemptions** for some International Financial Services Centre (IFSC) to March 31, 2025
- To withdraw old disputed direct tax demands of up to **Rs 25,000 till FY10**, and **Rs 10,000 for 2010-11 to 2014-15**

TAX

INTERIM BUDGET 2024

16. Tax Proposals:

- **No changes relating to taxation** - same tax rates for direct taxes and indirect taxes including import duties.

- Withdrawal of outstanding direct tax demands (petty, non-verified, non-reconciled or disputed direct tax demands, many of them dating as far back as the year 1962) up to twenty-five thousand rupees (Rs 25,000) pertaining to the period up to financial year 2009-10 and up to ten-thousand rupees (Rs 10,000) for financial years 2010-11 to 2014-15.

Go back to basics:

Budget:

- As per **Article 112** of the Indian Constitution, annual financial statements are laid before both Houses of Parliament.
- Annual financial statement is a statement of the estimated receipts and expenditure of the Government of India for a specific financial year.
- The Centre seeks both Houses approval to withdraw the necessary funds from the Consolidated Fund of India.
 - Hence, this statement has to be passed by both Houses.
- However, in an election year, the incumbent Government cannot present a full Budget as there may be a change in the executive after the polls.

Constitutional Provisions of Interim Budget:

- There is **no constitutional provision for an interim budget**.
- Hence, the Centre chooses to seek the Lower House's approval for the funds required for the transition period (April - July) till the new government presents a full Budget - via the votes on account provision.

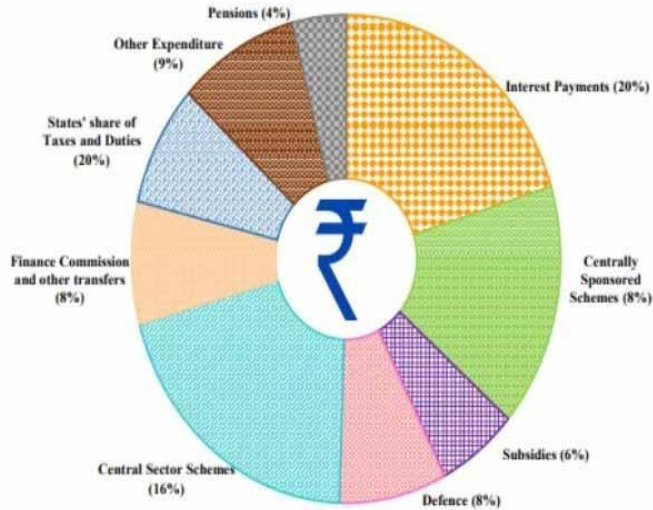
Interim Budget or Vote on Account:

- A vote on account, also known as interim Budget, essentially means that the government seeks the approval of Parliament for meeting expenditure for the first four months of the fiscal year (April-March) - **paying salaries, ongoing programmes in various sectors**, etc. with no changes in the taxation structure, until a new government takes over and presents a full Budget that is revised for the full fiscal.

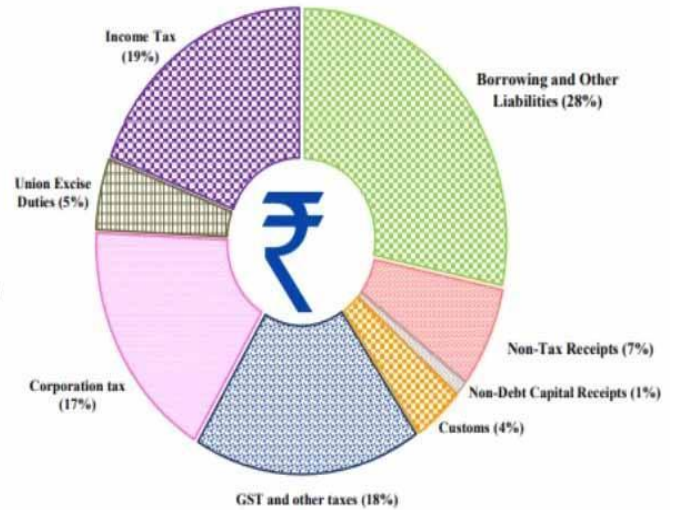
Why Vote on Account?

- The reasoning is that there is little time to get approvals from Parliament for various grants to ministries and departments, and to debate these as well as any provisions for changes in taxation.
- It would be the prerogative of the new government to signal its policy direction, which is often reflected in the Budget. So, starting 1948, when **Finance Minister R K Shanmukham Chetty** presented a vote on account and followed it up with Independent India's first regular budget, most governments followed this convention.



Rupee Goes To



Rupee Comes From




Achievements:

ON ACHIEVEMENTS:

- **25 crore people brought out of poverty** in past 10 years
- Success of self-help groups **empowered 1 crore women** to become **Lakshpati didis**
- **Direct benefit** given to **11.8 crore farmers** per year under PM Kisan scheme
- **Sanctioned loans** worth **Rs 22.6 lakh crore** to 43 crore people under PM Mudra
- **Direct transfer of Rs 34 lakh crore** using PM Jan-Dhan led to savings for govt
- PM SVANIDHI gave **credit assistance to 78 lakh street vendors**
- Gave **70% houses** to women in rural areas under PM Awas Scheme



Key Terms in the Interim Budget 2024:

1. GYAN:

- The main areas of the government have been focused on **Garib (Poor)**, **Yuva (Youth)**, **Annadata (Farmer)** and **Nari Shakti (Women)**.

2. Sabka Prayas (Effort of All):

- Sabka Prayas is a phrase describing how the whole nation overcame the challenge of the COVID pandemic and came out of it to lay the **solid foundations for the ‘Amrit Kaal’**.
- The realisation of the Amrit Kaal dream cannot be fulfilled without the efforts of all the stakeholders in our country.

3. PM-JANMAN Yojana:

- PM-JANMAN is aimed at **improving the socio-economic conditions of PVTGs** by saturating PVTG households and habitations with basic facilities.

4. Panch Pran:

- It is the set of 5 resolutions as suggested by the Prime Minister in his Independence Day speech. These are:
 - A resolve of developed India
 - Removing any trace of the colonial mindset
 - Taking pride in our legacy
 - Our strength of unity
 - Fulfilling the duties of citizens with honesty.

5. Governance, Development and Performance (GDP):

- A more comprehensive and inclusive model of growth and development.

6. First Develop India:

- "First Develop India" (FDI) is the spirit by which the government is negotiating bilateral investment treaties with its foreign partners.

7. PM ScHools for Rising India (PM SHRI) :

- A centrally sponsored scheme to establish over 14,500 PM SHRI Schools, overseen by the Central Government, State/UT Governments, local bodies, as well as Kendriya Vidyalaya Sangathan and Navodaya Vidyalaya Samiti.
- Its objective is to create an **inclusive and welcoming atmosphere for every student**, ensuring their well-being and providing a secure and enriching learning environment.

8. Rozgardata:

- Indian youth **entrepreneurial aspirations** are being considered as rozgardata in the Amrit Kaal of India.
- PM Mudra Yojana, Fund of Funds, Startup India, and Start-Up Credit Guarantee schemes are assisting our ‘rozgardata’.

9. Trinity of Demography, Democracy, and Diversity:

- The trinity of demography, democracy, and diversity backed by ‘**Sabka Prayas**’ has the potential to fulfil the aspirations of every Indian.

10. Nano DAP:

- Nano DAP is a nanotechnology-based revolutionary fertiliser that **provides nitrogen and phosphorus to plants**.
- It is a sustainable option for farmers towards smart agriculture and to combat climate change.
 - DAP, or di-ammonium phosphate, is the second most extensively used fertiliser in India, behind urea.

11. Lakhpati Didi:

- A central government scheme that provides skill development training to 20 million women in villages across the country.
- The Scheme encourages them to start micro-enterprises and provides training in various skills such as plumbing, tailoring, weaving, etc.

12. NaMo Bharat:

- NaMo Bharat Trains are the **Regional Rapid Transit System (RRTS)**.
 - The RRTS is a new rail-based, semi-high-speed, high-frequency commuter transit system with a design speed of 180 kmph.

13. Sarvangin, Sarvasparshi, Sarvasamaweshi (all-around, all-pervasive and all-inclusive):

- Government is working with an approach to development that is “**all-round, all-pervasive and all-inclusive**”.
- It will aim to cover all castes and people at all levels.
- To make India a developed nation, it is crucial to empower the capability of all kinds of people in the country.

14. Viksit Bharat (Developed India):

- The government aims to make India ‘Viksit Bharat’ or **Developed India by 2047**.
- The next 25 years from the 75th to the 100th years of independence have been declared as Amrit Kaal or Kartavya Kaal.

15. Amrit Peedhi (Golden Generation):

- Drawing on the ‘Amrit Kaal’ analogy, the Finance Minister referred to the **youth of India** as ‘Amrit Peedhi’.
- The budget this year aims to empower our youth and “help the ‘Amrit Peedhi’ realise their dreams”.