FICCI

UNION BUDGET 2023-24

ANALYSIS REPORT

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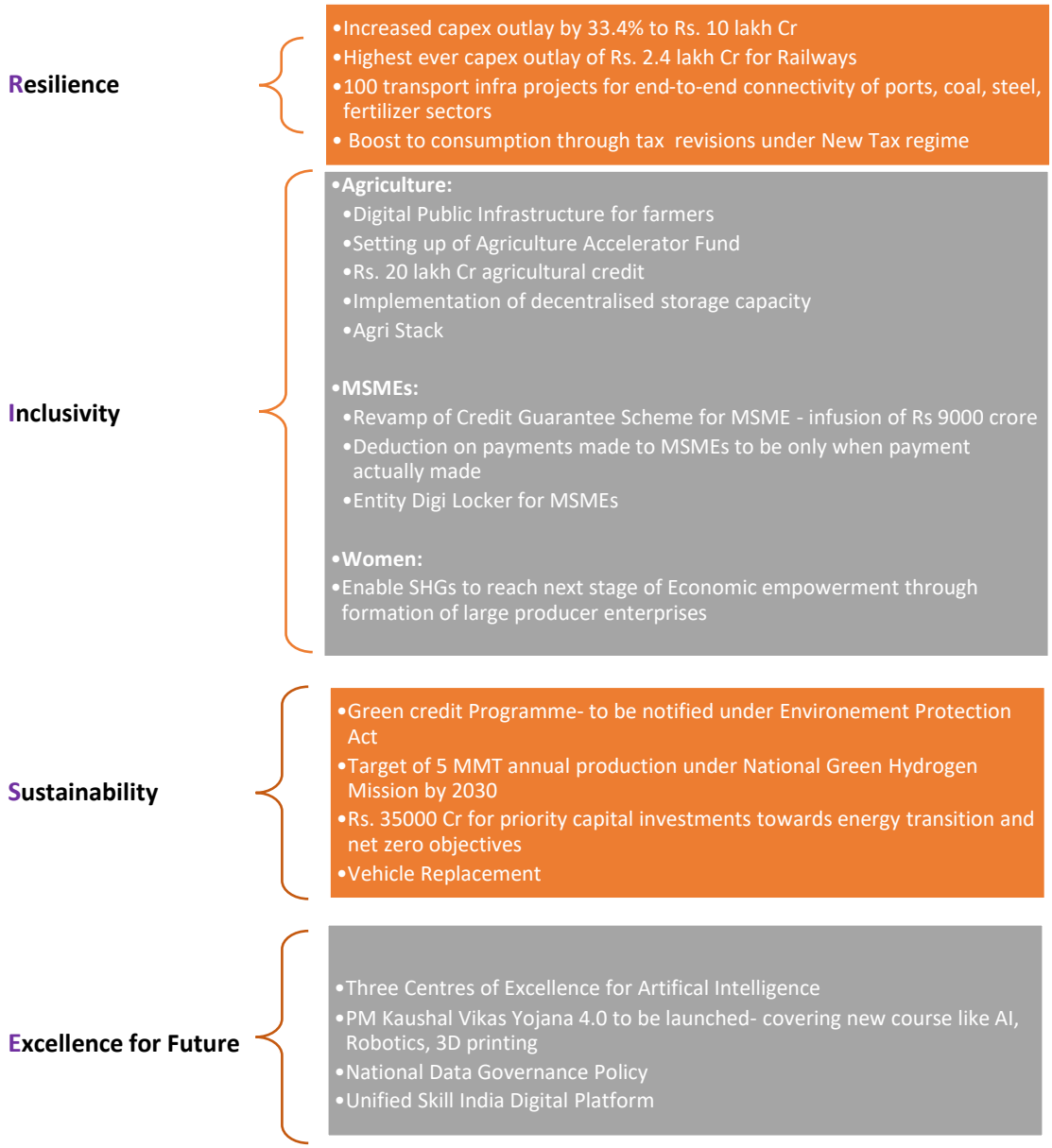
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Part A: Macro Overview

Macro Overview

The Union Budget 2023-24 was a balanced and progressive one reflecting the strategic approach of the Government. The reform blueprint of the Government has been carried forward with a clear intent to steer us into a New India over the next 25 years. The Union Budget continued to build on the pillars of Resilience, Inclusivity, Sustainability and Excellence for Future – which was both encouraging and reassuring.



The economic backdrop remains clouded with multiple challenges especially in the midst of persisting global headwinds. Even though the recently released Economic Survey 2022-23 has estimated a GDP growth of 7.0 percent in 2022-23 and a baseline number of 6.5 percent in 2023-24 – positioning India among the fastest growing large economies, however evolving geo-political developments, commodity prices, and synchronised financial tightening across countries continue to pose as key downside risks.

Given this uncertain environment, a boost to capital expenditure was the need of the hour and should help build resilience amid persisting headwinds. The capital outlay increase by 33% to Rs 10 lakh crore in the Union Budget - which is around 3.3% of GDP – is an historic outlay. This should set the investment cycle in motion by crowding in private investments – which is already indicating nascent signs of recovery. Also, the revision in tax rates under the new regime should augur well on the consumption side. Investment and consumption are the key drivers of growth, and the Budget has done a wonderful job by refuelling these drivers.

Further, the attention to the agriculture sector, the MSME sector and the youth/& women of the country are well placed to ensure inclusivity. The motto of Sabka Saath, Sabka Vikas and Sabka Vishwas has been a priority of this government and we are happy to note the continued emphasis on this front.

The continued support being offered to the MSME sector is well called for. The revamped credit guarantee scheme for MSMEs with infusion of Rs 9000 crore into the corpus is a laudable announcement. This is expected to enable additional collateral free credit guarantee of Rs 2 lakh crore rupees, which will enable to lower cost of credit by 1 per cent. In addition, the creation of National Financial Information Registry repository and move from an accrual-based payment system to a cash based one will ensure MSME don't suffer as a result of delayed payments.

Agriculture which remains an important part of India's economic milieu has been given due focus. The announcement of Agriculture Accelerator Fund to encourage agri start-ups by young entrepreneurs in rural areas is welcome. Also, promoting cooperative-based economic development model for farmers is a practical move. The plan to set up a decentralised storage capacity will be encouraging for farmers allowing for better price realisations. The enhancement of agriculture credit target and the cluster-based and value chain approach through Public Private Partnerships (PPP) for enhancing productivity of cotton crop are also welcome steps.

Furthermore, the intention to facilitate women led Self Help Groups to reach the next stage of economic empowerment through formation of large producer enterprises or collectives will be a great enabler and ensure women led development.

Sustainability remains a core agenda for the Government of India. India has set ambitious climate change targets as part of its Nationally Determined Contributions (NDC) and has committed to reduce the emission intensity of its GDP by 45% by 2030 compared to 2005 levels. The country has made excellent progress in decarbonizing its power sector and ramping up renewable energy capacity. The emphasis on green growth in today's Union Budget is yet another step aligning with India's global commitment towards these targets. The priority capital investments allocation of Rs 35000 crore towards energy transition, the targets of 5MMT annual production of green hydrogen by 2030, the inter-state transmission system for evacuation and grid integration with investment of Rs 20,700 crore can be seen as important moves to forge ahead on the path of sustainable growth.

The Government's dedication to ensuring excellence in future has also been well displayed in today's announcements. The focus on digitization, building centres of excellence for Artificial Intelligence with a participative role of the private industry, further enablement of public digital infrastructure especially for agriculture, Entity Digi Locker for MSMEs, Unified Skill India digital platform, National Data governance policy take the reform blueprint of the country a notch higher.

The Budget also lays a strong thrust on innovation by allowing private sector to get access in select ICMR Labs for collaborative research. The proposed pharma research and innovation programme through centres of excellence is a positive step and will also encourage more private sector medical research in the country. This is expected to give significant push to much needed innovation eco system in the country.

Overall, the Budget reiterates Government's commitment to a comprehensive growth roadmap ensuring manufacturing competitiveness, ease of doing business, reducing compliance touch points, enhancing infrastructure prowess, and supporting livelihoods across sections.

Fiscal Management

The fiscal deficit target (6.4 percent of GDP) for the current financial year 2022-23 has been met despite persisting uncertainty.

Fiscal Indicators (as % of GDP)

	Actual 2021-22	Budget 2022-23	Revised 2022-23	Budget 2023-24
Fiscal Deficit	6.7	6.4	6.4	5.9
Revenue Deficit	4.4	3.8	4.1	2.9
Primary Deficit	3.3	2.8	3.0	2.3

Source: Union Budget 2023-24

The fiscal deficit for the year 2023-24 has been budgeted at Rs 17.9 lakh crore - pegging the deficit to GDP ratio at 5.9%. The glide path indicated for fiscal consolidation aims to bring the fiscal deficit to GDP ratio to below 4.5% by 2025-26.

Revenue Side

Abstract of Receipts (in Rs crore)

	Actual 2021-22	Budget 2022-23	Revised 2022-23	Budget 2023-24	2022-23 BE over 2021-22 RE (%)	2022-23 RE over 2021-2022 RE (%)	2023-24 BE over 2022-23 RE (%)
Revenue Receipts	**2169905**	**2204422**	**2348413**	**2632281**	**6.0**	**13.0**	**12.1**
Tax Revenue (Net)	1804794	1934771	2086662	2330631	9.6	18.2	11.7
Gross Tax Revenue	**2709315**	**2757820**	**3043067**	**3360858**	**9.6**	**20.9**	**10.4**
Corporation Tax	712037	720000	835000	922675	13.4	31.5	10.5
Tax on Income	696243	700000	815000	900575	13.8	32.5	10.5
Customs	199728	213000	210000	233100	12.7	11.1	11.0

Union Excise Duty	394644	335000	320000	339000	-15.0	-18.8	5.9
Goods & Services Tax	698114	780000	854000	956600	15.6	26.5	12.0
Non -Tax Revenue	365112	269651	261751	301650	-14.1	-16.6	15.2
Interest receipts	21874	18000	24640	24820	-13.9	17.9	0.7
Dividends and Profits	160647	113948	83953	91000	-22.7	-43.0	8.4
Other Non-Tax Revenue	179540	134276	148342	181382	-5.2	4.7	22.3
Receipts of Union Territories	1745	2807	2236	2313	10.9	-11.7	3.4
Capital Receipts	**1621353**	**1739735**	**1842061**	**1882603**	**14.7**	**21.4**	**2.2**
Debt*	1581978	1660444	1758560	1798604	17.2	24.1	2.3
Non -debt	39375	79291	83500	84000	-20.7	-16.5	0.6
Recoveries of loans and advances	24737	14291	23500	23000	-35.0	6.9	-2.1
Other Receipts	14638	65000	60000	61000	-16.7	-23.1	1.7
Total Receipts	**3791258**	**3944157**	**4190474**	**4514884**	**9.7**	**16.5**	**7.7**

*The receipts are net of payment.
Source: Union Budget 2023-24

➔ As per the revised estimates for 2022-23, revenue receipts increased by 13.0% over the previous fiscal year. Despite a global slowdown and the ongoing war in Europe, the Indian economy remained resilient- which is evident in the sustained momentum of economic activity in the country and the resultant robust tax collections of the government.

➔ Growth in net tax revenue collections grew by 18.2% as per the 2022-23 revised estimates, vis-à-vis 9.6% growth anticipated in the budget estimates. The growth was majorly driven by robust collections on account of corporate tax and personal income tax- that grew at 31.5% and 32.5%, respectively – significantly higher than the budgeted estimates for the year 2022-23.

➔ GST revenues, on the other hand, have been supported by post-pandemic economic recovery, drive against GST evaders and fake bills, and various rate rationalisation measures undertaken by the GST Council to correct inverted duty structure.

➔ Non-tax revenue collections witnessed a decline by 16.6% in the revised estimates of 2022-23. However, these are projected to increase by 15.2% in the budget estimates of 2023-24 as compared to the revised estimates of the previous year.

➔ For the fiscal year 2023-24, revenue receipts are budgeted to clock in double digit growth of 12.1% in 2023-24. The net tax revenue collections are budgeted to increase by 11.7% in 2023-24 – with double digit growth expected in all major tax heads except union excise duty (which is budgeted to

rise by 5.9% in 2023-24). Total receipts, however, are budgeted to increase by 7.7% in 2023-24 – on account of much lower growth anticipated in capital receipts.

Expenditure Side

Summary of Expenditure (in Rs crore)

	Actual 2021-22	Budget 2022-23	Revised 2022-23	Budget 2023-24	2022-23 BE over 2021-22 RE (%)	2022-23 RE over 2021-2022 RE (%)	2023-24 BE over 2022-23 RE (%)
Total Expenditure	**3793801**	**3944909**	**4187232**	**4503097**	**4.6**	**11.1**	**7.5**
On Revenue Account	3200926	3194663	3458959	3502136	0.9	9.2	1.2
Interest Payments	805499	940651	940651	1079971	15.6	15.6	14.8
Grants in Aid for creation of capital assets	242646	317643	325588	369988	33.6	37.0	13.6
On Capital Account	592874	750246	728274	1000961	24.5	20.8	37.4

Source: Union Budget 2023-24

➔ Total expenditure expanded over two-fold at 11.1% according to the revised estimates for the year 2022-23 as against the budgeted growth of 4.6%. Revenue expenditure reported a growth of 9.2% according to the revised estimates as against the estimated growth of 0.9 % budgeted in 2022-23. Capital expenditure, on the contrary, reported a lower growth of 20.8% as per the revised estimates, as against the budgeted growth of 24.5% for 2022-23.

➔ The increase in total expenditure in the year 2022-23 comes on back of higher transfers under schemes such as MGNREGA, AMRUT and Smart Cities Mission, PM POSHAN, and higher allocations for credit linked subsidy scheme for economically weaker sections under PM Awas Yojana (Urban).

➔ Other major reasons for the increase in total expenditure is on account of implementation of One Rank One Pension to retirees from armed forces, provision for arrear payments, and expenditure on medical treatment to CGHS pensioners, provision of one-time grant to Oil Marketing Central Public Sector companies, higher requirements for revenue expenditure of the Armed Forces, and higher provision made towards viability gap funding to BSNL.

➔ The budgeted expenditure numbers for 2023-24, however, indicate a substantial expansion- especially on account of capital expenditure. Total expenditure is budgeted at Rs. 45.0 lakh crore- with capital expenditure witnessing a substantial rise of 37.4% over the revised figures of 2022-23. Capital expenditure is budgeted to be Rs. 10 lakh crore for 2023-24. Infrastructure and strategic Ministries including Road Transport and Highways, Railways, Defence, etc. will lead capital expenditure in the next fiscal year. Revenue expenditure is budgeted at Rs 35.0 lakh crore for 2023-24.

Major Subsidies (in Rs. crore)

	Actual 2021-22	Budget 2022-23	Revised 2022-23	Budget 2023-24	2022-23 BE over 2021-22 RE (%)	2022-23 RE over 2021-2022 RE (%)	2023-24 BE over 2022-23 RE (%)
Major Subsidies	**446149**	**317866**	**521585**	**374707**	**-26.6**	**20.4**	**-28.2**
Fertiliser Subsidy	153758	105222	225220	175100	-24.9	60.7	-22.3
Food Subsidy	288969	206831	287194	197350	-27.8	0.3	-31.3
Petroleum Subsidy	3423	5813	9171	2257	-10.8	40.7	-75.4
Total - Subsidies	**503907**	**355639**	**562080**	**403084**	**-27.1**	**15.2**	**-28.3**

Source: Union Budget 2023-24

➔ Expenditure on major subsidies – food, fertilizer, and petroleum combined- witnessed a significant increase from the budgeted amount of Rs 3.2 lakh crore to Rs 5.2 lakh crore as per the revised estimate of 2022-23. Fertilizer subsidy bill has witnessed the highest growth of over 60% according to the revised estimates. As India is a major importer of fertilizers, this rise is on account of higher international prices of fertilizers owing to supply disruptions caused by the Russia-Ukraine war. Petroleum subsidy increased on a similar account- growing at 40.7% as per the revised estimates of 2022-23. Further, the extension of the free food grain programme PMGKAY up to December 2022 led to an increase in expenditure on food subsidy.

➔ Further, as per the budget estimates of 2023-24, the subsidy bill for these three key items has been pegged at Rs 3.7 lakh crore and is expected to see a decline by 28.2% over the revised estimates of 2022-23.

Part B: Taxation

Key Tax Announcements in Union Budget 2023-24

As announced by the Hon'ble Finance Minister, the thrust of the indirect proposals in the Union Budget 2023-24 is to promote exports, boost domestic manufacturing, enhance domestic value addition, encourage green mobility. The direct tax proposals announced in the budget aim to maintain continuity and stability of taxation, simplify and rationalise various provisions to reduce the compliance burden, promote the entrepreneurial spirit and provide tax relief to citizens.

A. **Brief synopsis of the direct tax proposals are as below**:-

(a) Proposals in relation to New Tax Regime

1. **Income limit for rebate of income tax increased from INR 5 lakhs to INR 7 lakhs in the new tax regime. The proposed slab rate for new income tax regime is as below:-**

Income (in INR Lakhs)	Tax Rate (%)
0-3	Nil
3-6	5
6-9	10
9-12	15
12-15	20
Above 15	30

- New tax regime to be default one – the taxpayer has to opt for old tax regime before filing tax return
- Standard deduction of INR 50,000 introduced under new tax regime;
- No change in slab rates under Old tax regime

The proposed new tax regime is welcome and would incentivise many taxpayers to opt for this regime and further spur consumption.

2. **Highest surcharge rate on income above INR 5 crores is proposed to be reduced from 37% to 25% under new regime; maximum surcharge under old regime continue to be at 37%**

The above proposal is welcome and a step in the right direction and would indeed encourage entrepreneurial spirit.

(b) Proposals relating to Personal Taxes

1. **Prevention of double deduction claimed on interest on borrowed capital for acquiring, renewing or reconstructing a property**

Under the existing provisions of the Act, the amount of any interest payable on borrowed capital for acquiring, renewing or reconstructing a property is allowed as a deduction under the head "Income from house property" under section 24 of the Act. Memorandum to the Finance Bill, 2023 provides that it has been observed that some assessees have been claiming double deduction of interest paid on borrowed capital for acquiring, renewing or reconstructing a property. Amendment has been proposed in section 48 of the Act to provide that deduction of interest on borrowed capital once claimed against income from house property is not allowed again under capital gains.

2. **Rationalization of provisions related to the valuation of residential accommodation provided to employees**

Perquisite on accommodation: New computation mechanism to be provided; existing cap based on salary to be done away with.

The above proposed amendment is welcome and in line with FICCI recommendation and intended to simplify the valuation mechanism for perquisite taxation of rent free/(at concessional rent) accommodation provided by employer to the employee.

3. Any sum of money received by a person being Resident but not-ordinarily resident (RNOR) from a resident taxable in India under section 56(2)(x) of the Act. Earlier only non-resident recipients were covered.

(c) Proposals relating to MSMEs

1. Increase in threshold limits for presumptive taxation schemes

The current provisions of the Income Tax Act, 1961 ('the Act') provides for a presumptive income scheme for small businesses and professionals. The threshold limit to claim presumptive taxation by small businesses is for businesses having a turnover or gross receipt of upto INR 2 crores and in case of professionals, the current threshold limit is upto INR 50 lakhs. To ease compliance and to promote non-cash transactions, it is proposed to increase the threshold limits for presumptive scheme for eligible business under section 44D of the Act upto INR 3 crores and in section section 44ADA of the Act, upto INR 75 lakhs, provided 95% of the receipts are non-cash.

The proposal is welcome and increasing the thresholds for availing benefit of the presumptive schemes for eligible business and professions will benefit more persons in the small and medium segment.

2. Promoting timely payments to Micro and Small Enterprises

Section 43B of the Act provides for certain deductions to be allowed only on actual payment. To promote timely payments to micro and small enterprises, it is proposed to include payments made to such enterprises within the ambit of section 43B of the Act. Accordingly, amendment has been proposed in section 43B of the Act to provide that any sum payable by the taxpayer to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006 shall be allowed as deduction only on actual payment.

Section 15 of the MSMED Act mandates payments to micro and small enterprises within the time as per the written agreement, which cannot be more than 45 days. If there is no such written agreement, the section mandates that the payment shall be made within 15 days. Thus, the proposed amendment to section 43B of the Act will allow the payment as deduction only on payment basis. It can be allowed on accrual basis only if the payment is within the time mandated under section 15 of the MSMED Act.

The above proposed amendment is welcome and will bring discipline in payment eco-system to MSMEs and is certainly a big announcement to provide support to MSMEs and boost their growth.

(d) Proposals relating to Start-ups

1. Extension of date of incorporation for eligible start-up for exemption

Currently section 80-IAC of the Act, provides for 100% deduction for profits and gains derived from an eligible business by an eligible start-up for three consecutive assessment years out of ten years, beginning from the year of incorporation, at the option of the taxpayer. One of the condition is that the start-up is incorporated on or after 1st day of April, 2016 but before 1st day of April 2023.

An amendment has been proposed in section 80-IAC of the Act to extend the period of incorporation of eligible start-ups to 1st day of April 2024. This amendment will take effect from the 1st day of April,

2023 and shall accordingly, apply in relation to the assessment year 2023-24 and subsequent assessment years.

The above proposed amendment is welcome and would certainly promote the development of further start-ups in India and provide them with a competitive platform.

2. Relief to start-ups in carrying forward and setting off of losses

Section 79 of the Act restricts carrying forward and setting off of losses in cases of companies, other than the companies in which the public is substantially interested. It prohibits setting off of carried forward losses if there is change in shareholding. The carried forward loss is set off only if at least 51% shareholding (as on the last date of the previous year) remains same with the company on the last date of the previous year to which the loss belongs. However, some relaxation has been provided in case of an eligible start-up as referred to in section 80-IAC of the Act. The condition of continuity of at least 51%shareholding is not applicable to the eligible start-up, if all the shareholders of the company as on the last day of the year, in which the loss was incurred, continue to hold those shares on the last day of the previous year in which the loss is set off. There is an additional condition that the loss is allowed to be set off, under this relaxation, only if it has been incurred during the period of seven years beginning from the year in which such company is incorporated.

An amendment has been proposed in section 79 of the Act so that the time for loss of eligible start-ups to be considered for relaxation is proposed to be increased from seven years to ten years from the date of incorporation. The amendment is to align this period of seven years with period of ten years contained in section 80-IAC of the Act.

This amendment will take effect from 1st day of April, 2023 and will accordingly apply to the assessment year 2023-2024 and subsequent assessment years.

The proposed amendment is welcome and would encourage further investments in the start-up space.

(e) Key Proposals to ease compliance

1. Ease in claiming deduction on amortization of preliminary expenditure

Section 35D of the Act provides for amortization of certain preliminary expenses which are incurred prior to the commencement of business or after commencement, in connection with extension of undertaking or setting up of a new unit. This includes expenditure in connection with preparation of feasibility report, project report etc. The current provisions of section 35D of the Act provides that the work in connection with the preparation of feasibility report or the project report or the conducting of market survey or of any other survey or the engineering services would need to be carried out either by the taxpayer himself or by a concern which is approved by the Board.

To ease the process of claiming amortization of these preliminary expenses it is proposed to amend section 35D of the Act to remove the condition of activity in connection with these expenses to be carried out by a concern approved by the Board. Instead, the taxpayer shall be required to furnish a statement containing the particulars of this expenditure within prescribed period to the prescribed income-tax authority in the prescribed form and manner.

The above proposal is welcome and would indeed reduce burdensome compliance by moving from certification by the Board to self-certification by the taxpayer.

2. Extending the scope for deduction of tax at source to lower or nil rate

Section 197 of the Act relates to grant of a certificate of tax deduction at lower or nil rate. However, the current provisions of section 197 of the Act does not provide for obtaining certificate for lower

deduction under section 194LBA (interest income of non-resident unit holders) of the Act. In such a scenario benefit of exemption is not available at the time of tax deduction.
It has been proposed to amend section 197 of the Act to provide that the sums on which tax is required to be deducted under section 194LBA of the Act shall also be eligible for certificate for deduction at lower rate.
The above proposal is welcome as it would benefit the non-resident, unit holders, receiving income from business trusts.

(f) Key Proposals relating to Co-operatives

1. 15% concessional tax to promote new manufacturing co-operative society

The Budget has proposed to insert a new section 115BAE in the Act to provide concessional tax regime of 15% to the new manufacturing co-operative societies**.**
The above amendment is welcome and would provide a level playing field between new manufacturing co-operative societies and new manufacturing companies.

2. Proposed to provide Higher limit of INR 3 crore for TDS on cash withdrawals for co-operative societies

(g) Provisions to widen and deepen the tax base

1. TDS and taxability on net winnings from online games

The current provisions of section 194B of the Act provides for deduction of tax at source on income by way of winnings from any lottery or crossword puzzle or card game and other game of any sort, provided the amount of winnings exceeds INR 10000. Section 194BB of the Act provides for similar provisions for deduction of tax at source for horse racing in any race course or for arranging for wagering or betting in any race course. Section 115BB of the Act provides for the rate of tax on winnings from lotteries, crossword puzzles, races including horse races, card games and other games of any sort or gambling or betting of any form or nature.
Memorandum Explaining the provisions of the Finance Bill, 2023 ('Memorandum') provides that It is seen that deductors are deducting tax under section 194B and 194BB of the Act by applying the threshold of Rs 10,000/- per transaction and avoiding tax deduction by splitting a winning into multiple transactions each below Rs 10,000. It is also seen that in recent times, there has been a rise in the users of online games. There is a need to bring in specific provisions regarding TDS and taxability of online games due to its different nature, being easily accessible vide the Internet and computer resources with a variety of playing options and payment options.
Finance Bill 2023, w.e.f July 1, 2023 has proposed to introduce a new Section 194BA to provide for Tax Deduction at Source on net winnings from online games at 30%. It further casts responsibility on person responsible for paying the winnings in case the cash part is not sufficient to cover the taxes of in-kind winnings. Amendments have been proposed to provide definitions of terms "computer resource", "internet", "online game", "online gaming intermediary", "user", "user account.
The Bill has also proposed to introduce a new section 115BBJ in the Act to tax winnings from online games at the rate of 30%. The amendment will take effect from 1st April, 2024 and will accordingly be applicable for the assessment year 2024-25 and subsequent assessment years.

2. Increasing rate of TCS of certain remittances

Section 206C of the Act provides for TCS on business of trading in alcohol, liquor, forest produce, scrap etc. Sub-section (1G) of the aforesaid section provides for TCS on foreign remittance through the

Liberalised Remittance Scheme and on sale of overseas tour package. In order to increase TCS on certain foreign remittances and on sale of overseas tour packages, amendment is proposed in sub-section (1G) of section 206C of the Act.

S.No.	Type of remittance	Present rate*	Proposed rate*
1.	For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E	0.5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh.	No change.
2.	For the purpose of education, other than (i) or for the purpose of medical treatment	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh	No change
3.	Overseas tour package	5% without any threshold limit.	20% without any threshold limit
4.	Any other case	5% of the amount or the aggregate of the amounts in excess of Rs. 7 lakh	20% without any threshold limit

This amendment will take effect from 1st July, 2023.

3. Limiting the roll over benefit claimed under section 54 and section 54F

The existing provisions of section 54 and section 54F of the Income-tax, 1961 (the Act) allows deduction on the Capital gains arising **from the transfer of long-term capital asset if the taxpayer**, within a period of one year before or two years after the date on which the transfer took place purchased any residential property in India, or within a period of three years after that date constructed any residential property in India. For section 54 of the Act, the deduction is available on the **long-term capital gain arising from transfer of a residential house** if the capital gain is reinvested in a residential house. In section 54F of the Act, the deduction is available on the long term capital gain arising from transfer of any long term capital asset except a residential house, if the net consideration is reinvested in a residential house.

Amendment has been proposed in section 54 and 54F of the Act to provide that maximum exemption that can be claimed from eligible capital gains upon purchase of residential property has been limited to a purchase value of INR 10 Crores.

4. Rationalisation of exempt income under life insurance policies

Clause (10D) of section 10 of the Act provides for income-tax exemption on the sum received under a life insurance policy, including bonus on such policy. There is a condition that the premium payable for any of the years during the terms of the policy should not exceed ten per cent of the actual capital

sum assured. Memorandum provides that the legislative intent of providing exemption under clause (10D) of section 10 of the Act has been to further the welfare objective by subsidising the risk premium for an individual's life and providing benefit to small and genuine cases of life insurance coverage. However, over the years it has been observed that several high net worth individuals are misusing the exemption provided under clause (10D) of section 10 of the Act by investing in policies having large premium contributions (as it is acting as an investment policy) and claiming exemption on the sum received under such life insurance policies.

To curb misuse from avoidance of tax on receipts from insurance policies, amendments have been proposed in section 10(10D) and section 56(2) of the Act to provide that receipt (including bonus) from insurance policies with an aggregate premium above INR 5,00,00 will be taxable under Other Source**.** Further, deduction will be allowable for premium paid if not claimed as deduction otherwise. Income still exempt in case of death of insured person.

(h) Proposals relating to NBFCs

1. Excluding non-banking financial companies (NBFC) from restriction on interest deductibility

Amendment has been proposed in section 94B of the Act to exclude NBFCs from the scope of Thin capitalization norms (i.e., restriction on interest deductibility).

The above proposal is welcome and in line with the recommendation made by FICCI. The proposed amendment puts Non- Banking Financial Companies [NBFCs] which are engaged in the business of financing at par with banking and insurance companies as they are undertaking the similar functions and are now being subject to similar regulations and compliances in respect of those functions.

2. Non-Banking Financial Company (NBFC) categorization

Section 43B of the Act provides, inter-alia, that any sum payable by the taxpayer as interest on any loan or borrowing from a Deposit taking Non-Banking Financial Company and Systemically Important Non-Deposit taking Non-Banking Financial Company shall be allowed as deduction on payment basis. It can be allowed on accrual basis if it is actually paid on or before the due date of furnishing the return of income of the relevant previous year. Section 43D of the Act provides, inter-alia, for special provision in case of income of deposit-taking Non-Banking Financial Company and Systemically Important Non-Deposit taking Non-Banking Financial Company. Interest income in relation to certain categories of bad or doubtful debts received by such deposit-taking Non-Banking Financial Company and Systemically Important Non-Deposit taking Non-Banking Financial Company, shall be chargeable to tax in the previous year in which it is credited to its profit and loss account for that year or actually received, whichever is earlier.

Amendments have been proposed in section 43B and 43D of the Act in line with introduction of new category of NBFCs by RBI, suitable changes in NBFC categories are proposed to be made in section 43B/43D of the Act.

The above amendment is welcome and in line with the recommendation made by FICCI. It indeed aligns the categorisation of NBFCs under the Act with the categorisation of NBFCs provided by RBI.

(i) Proposals relating to Tax Withholding

1. TDS on payment of interest on listed debentures

- Exemption from TDS provisions on interest payable in case of dematerialized security which is listed is proposed to be removed

2. TDS on income in respect of mutual fund units

- Tax withholding on payments to non-residents in respect of mutual fund units to be circumscribed by tax treaty rates (where beneficial)

3. **Facilitating TDS credit for income already disclosed in the return of income of past year**
    - TDS credit available irrespective of the year in which withholding happens by making application within 2 years

4. **TDS introduced on winnings from online games**

(j) Proposals relating to Dispute Resolution

1. Introduction of the authority of Joint Commissioner (Appeals) [JC(A)]

Memorandum to the Bill provides that it has been noted that as the first authority for appeal, Commissioner (Appeals) are currently overburdened due to the huge number of appeals and the pendency being carried forward every year. In order to clear this bottleneck, a new authority for appeals is being proposed to be created at Joint Commissioner/ Additional Commissioner level to handle certain class of cases involving small amount of disputed demand. Such authority has all powers, responsibilities and accountability similar to that of Commissioner (Appeals) with respect to the procedure for disposal of appeals. The proposed features of Joint Commissioner (Appeals) are as below:-

- Powers commensurate with the CIT(A) – First Appellate Authority
- Identified orders/ issues to be appealed before the JC(A) in alternative to CIT(A)
- Orders appealable to the ITAT

2. Enabling provisions introduced to widen the scope of orders which are appealable to the ITAT

- E.g. orders imposing specific penalties by CIT(A) or revision of orders by PCIT or CCIT rank

3. Tax Authorities enabled to file cross-objections against an appeal by Assessee against final order pursuant to directions of DRP

(k) Proposals relating to Procedural Issues

1. Assessment / Reassessment Proceedings

- Time-limit for assessment proceedings increased from 9 to 12 months
    - For regular return - from end of relevant AY (AY 2022-23 and onwards)
    - for Updated Return - from the end of the year in which such return furnished
- Time-limit for assessment proceedings pending as on the date of search/ seizure operations to be further increased by 12 months
- Time-limit for furnishing ROI upon initiation of reassessment proceedings prescribed at 3 months

2. Refunds and interest on refund

- Tax Authorities enabled to set-off refunds determined pursuant to preliminary assessment and continue to withhold balance amount
- Assessee not eligible for Additional Interest of 3% P.A. for the period for which refund withheld

3. **Transfer Pricing**
    - Time limit to furnish TP documentation to the TPO/AO reduced to 10 days from 30 days.

B. **Indirect Tax Announcements**

From customs duty perspective, the Budget have introduced few changes in the Basic Customs duties, cesses and surcharges on some items including toys, bicycles, automobiles, and napatha. It has been proposed to revise National Calamity Contingent Duty (NCCD) on specified cigarettes by about 16%. The bird eye view of sectoral impact regarding changes in the customs duty structure is given below:-

	Changes to Custom duty on	**Intended Benefit**
	Import of capital goods for Li-on battery manufacturing	For greener mobility
	Import of mobile camera lens	Deepening value addition
	Denatured ethyl alcohol	For Chemical Industry
	Key Inputs for producing shrimp feed	Boost marine exports
	Seeds for manufacturing lab grown diamonds	Export promotion
	Continuing concessional basic custom duty on copper scrap	To augment raw material availability for MSMEs
	Compounded rubber, to bring it at par with natural rubber	To curb duty circumvention

Other noteworthy proposals with regard to change in indirect tax duty structure is as below:-

1. To rectify inversion of duty structure and encourage manufacturing of electric kitchen chimneys, there is increase in BCD on electric kitchen chimney from 7.5% to 15%;
2. Reduction in BCD on heat coils from 20% to 15%;
3. Exemption on import of cups extended;
4. Exemption for excise duty on blended Compressed Natural Gas (CNG) from so much of the amount as is equal to GST paid on biogas/compressed bio gas contained in such blended CNG;
5. Excludes solar power plant/solar power project from the purview of Project Imports;
6. Reduction in BCD on gold, silver, platinum, coin etc.;
7. Exemption provided to specific capital goods/machinery for manufacture of Lithium ion cell for use in battery of electrically operated vehicle (EVs) and Vehicles, specified automobile parts/components, sub-systems and tyres when imported by notified testing agencies for the purpose of testing and/or certification;
8. Extension has been provided to end date of exemption for certain goods
9. trophies to be awarded to winning teams in international tournament /world cup to be held in India

Goods and Services Tax ('GST')

Several amendments have been proposed in the Budget in the CGST Act and IGST Act. Some of the noteworthy proposals are as below:-

- Definition of OIDAR services enlarged to include services involving greater human intervention and / or not essentially automated
- Merchanting, in-bond and high-seas sales to be treated as no-supply transaction from July 1, 2017. No refund available on tax paid in past

- ITC disallowed on CSR expenditure incurred as per Section 135 of the Companies Act
- In-bond sales to be treated as exempt for ITC reversal purposes
- Restriction on filing of GSTR-1, GSTR-3B, GSTR-9 / 9C and GSTR-8 after 3 years from due date
- E-commerce operators liable for penal consequences for defaults pertaining to supplier / supply of goods on their portal.
- Rationalization of penal provisions (threshold increased from 1 crores to 2 crores, reduction in compounding amounts, no prosecution in specified cases)

Part C- Sectoral Analysis

Agriculture

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall, for the Sector / Ministry				
Dept. of Agriculture Cooperation & Farmers Welfare	114467.56	110254.53	115531.79	4.78
Dept. of Animal Husbandry & Dairying	2584.47	3105.17	4327.85	39.37
Department of Fisheries	1358.61	1624.18	2248.77	38.45
Dept. of Agriculture Research & Education	8368.01	8658.89	9504.00	9.76
Total Outlay	126778.65	123642.77	131612.41	6.44
Outlays for key sectoral schemes				
Major Central Sector Scheme				
Pradhan Mantri Fasal Bima Yojana	13549.24	12375.76	13625.00	10.09
Interest Subsidy for Short-Term Credit to Farmers	21476.93	--	--	-
Market Intervention Scheme and Price Support Scheme (MIS-PSS)	2288.33	1500.00	0.01	-99.99
Pradhan Mantri Annadata Aay Sanrakshan Yojna (PM-AASHA)	--	--	0.01	--
Distribution of Pulses to State / Union Territories for Welfare Schemes	50.00	166.21	800.00	381.31
Promotion of Agricultural Mechanization for in-situ Management of Crop Residue	691.30	--	--	--
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	66825.11	60000.00	60000.00	0
Pradhan Mantri Kisan Man Dhan Yojana	39.50	50.00	100.00	100
Formation and Promotion of 10,000 Farmer Producer Organizations (FPOs)	427.04	955.00	955.00	0
Agriculture Infrastructure Fund (AIF)	21.43	150.00	500.00	233.33
Core Scheme				
Green Revolution	6746.84	-	-	-
White Revolution	-	-	-	-
Blue Revolution	1179.17	1422.00	2025.00	42.40
Pradhan Mantri Krishi Sinchai Yojana	1796.12	-	-	
Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM-FME)	326.46	290.00	639.05	120%

Key Budget Announcements and Implications

	Key Budget announcements	Implications
1	An agriculture accelerator fund to encourage agritech startups by young entrepreneurs in rural areas. Fund will focus on bringing innovative solutions for challenges faced by farmers.	• Accelerator Fund is a great initiative towards mainstreaming Rural economy and scaling innovation from hinterlands of India. • A welcome move for the agricultural sector. It will act as a catalyst to spur growth in the agriculture tech ecosystem and address a few critical challenges across the value chain. • It will bring innovative and affordable solutions for farmers' challenges, will also enhance profitability, and bring modern tech. • It will yield positive results and accelerate the formation of agri-focused funds and ventures. • Start-up Accelerator is another good idea which should target supporting an ambitious number of start-ups in a short time frame
2	**Focus On Making India Global Millet Hub**- To make India a global hub for **"Sree Anna"** Research Indian Institute of Millets Research in Hyderabad will be supported as the centre of excellence for sharing best practices, research and technologies at the international level.	• Focus on Millets will benefit all the value chain players and will help in positioning India's distinctive advantage in Millets. Focus on research and sharing best agriculture practices will pave a way for beneficial partnerships among stakeholders. • Industry should be involved as important stakeholder in the Centre of excellence.
3	Building Digital public infrastructure an accessible, inclusive, and informative solution for farmers.	• It will help develop farmer-centric solution for crop planning and storage.
4	Agricultural credit target will be increased by 20 lakh crores in FY24 which is over 11% over the last year's allocation with focus on animal husbandry, dairy and fisheries	• Support to these high growth sub-sectors of agriculture has been long overdue, hence, is a welcome step. Focus should be on improving extension services as well critical infrastructure to boost quality production, storage, transport, and retailing. • This will help in resolving liquidity crisis at farmers end and will enhance their buying capacity.

5	The government has also initiated computerization for 63,000 primary agricultural credit societies with an investment of Rs 2,516 crore.	• This will boost financial inclusion.
6	The government will launch the Atmanirbhar Clean Plant Programme to improve availability of disease-free quality planting material for high-value horticultural crops at an outlay of Rs 2,200 crore.	• To get the full benefits of public investment in this idea, export-quality norms should be embedded into the package from the outset and value chain players should be incentivized to tie up with farmers, coops and FPOs for dedicated production for target markets. • Good signal by Government to boost production of high value horticulture crops as it will raise their cultivation area from a low 15%. Lack of quality material, especially of fruit crops, have been a major deterrent.
7	**Enhancing productivity of cotton crop:** To enhance yield of extra-long staple cotton, the government will adopt a cluster-based and value-chain approach.	• Good idea but it should be extended to more field crops as rapidly as possible. • Good initiative to initiate collaboration between farmers, state and industry for input supplies, extension services, and market linkages.
8	The government will launch a sub-scheme under PM Matsya Sampada Yojana with an outlay of Rs 6,000 crore	• This will be beneficial for fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.
9	Duty reduction on key inputs for domestic manufacture of shrimp feed.	• To further enhance the export competitiveness of marine products this is positive step as marine products recorded the highest export growth benefitting farmers in the coastal states of the country.
10	Over the next 3 years, one crore farmers will get assistance to adopt natural farming. 10,000 bio input resource centres will be set up.	• Step in the right direction to promote nature-based solutions.
11	Opportunity to sugar cooperators to claim payments made to sugarcane farmers for the period prior to the essence assessment year 2016 17 as expenditure this is expected to provide them a relief of almost 10,000 crores.	• While we await details of the package, it should target productivity and climate adaptation plus carbon-neutralising technologies.

12	**"PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" (PM-PRANAM)** will be launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers.	• Fertilizer industry can harp on PRANAM scheme to diversify their offerings to farming community. Alternative fertilizers can be a next step towards the diversification journey.
13	A plan to set up massive, decentralized storage capacity will be implemented. The government will also facilitate setting up of a large number of multipurpose cooperative societies, primary fishery societies and dairy cooperative societies in uncovered panchayats and villages in the next 5 years.	• This will help farmers store their produce and realize remunerative prices through sale at appropriate times. • There should be a time frame announced to cover all such eligible villages and panchayats.

Overall Assessment of Budget for Sector's Growth and Development

The budget lays focus on creating farmer centric solutions and is forward looking as far as growth of agriculture sector is concerned. Budget underscores intentions to strengthen supply and input side of the agricultural value chain. The increased availability of credit, facilitation of better quality inputs through a clean plant program, investments in digital infrastructure and skill development are the announcements in this direction. The increased focus on driving millet cultivation, consumption and exports, higher investment in fisheries are all helpful from a crop diversification, sustainability and nutrition standpoint.

The shift towards decentralized storage is also an important step in reducing wastage and help increase the shelf life of agricultural produce. The focus on better management of co-operatives and producer collectives will help farmers in realizing better value of their output. Finally, the agriculture accelerator announcement for promoting start-ups in ag-tech enterprises will help increase yield and productivity on the supply side while also enhancing price realization for the farmer on the demand side through more efficient market linkages.

Capital Goods

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector - Ministry of Heavy Industries	28.99	199.60	250.00	25.25 %
Outlays for key sectoral schemes				
Enhancement of Competitiveness in the Indian Capital Goods Sector	28.94	199.60	250.00	25.25%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Capital Investment Outlay increased by 33% to Rs. 10 lakh Crore which is 3.3% of GDP	Announcement of CapEx in Infrastructure investment will have a multiplier effect on Capital Goods sector by increasing demand for capital goods and job creation.
2	Major outlays on some of the key infrastructure sectors • Capital outlay in railways is announced to be Rs 2.40 lakh crore which is the highest ever outlay, 9 times the outlay made in 2013-14. • One hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. They will be taken up on priority with investment of Rs 75,000 crore, including Rs 15,000 crore from private sources. • 50 additional airports, heliports, water aerodromes and advance landing grounds • Sustainable cities for tomorrow • Rs 35,000 crore for priority capital investments towards energy transition and net zero objectives	Capital investments in railways, infrastructure projects, smart cities, urbanization, waste treatment will stir demand for mobilization of capital goods, heavy machineries, machine tools, cutting tools and precision manufacturing, thereby having indirect positive impact on overall capital goods sector.
3	**Centre of Excellence for Artificial Intelligence-** Make AI in India & Make AI work for India. 5G Services: 100 Labs for applications using 5G services will be set up	Capital goods integrated with industry 4.0 technologies would play a key role in positioning India as a leader in upcoming industrial revolution of manufacturing thereby leading to achieve the target of $5 trillion economy

4	Withdrawal of custom duty exemptions on capital goods and parts as per Custom notification No. 50/2017, in various sectors like, textiles machinery, fertilizer plants, power sector etc.	This will provide a level playing field to domestic manufacturers

Overall Assessment of Budget for Sector's Growth and Development

Overall, the budget has provided the necessary push to capital goods sector by substantially increasing the allocation for infrastructure sector and transitioning toward green production methods. Also, by doing away with custom duty exemptions in certain sectors, it provides level playing field to the domestic capital goods sectors. The green growth transition and integration with AI Centre of excellences will play an important role in making capital goods sector a driver of manufacturing growth.

Capital Markets

	Budget Announcement	Likely Implication
1	**Ease of Doing Business through Digitization** • **Simplification of KYC process** by adopting a 'risk-based' instead of 'one size fits all' approach. • **One stop solution for identity and address updating** A one stop solution for reconciliation and updating of identity and address of individuals maintained by various government agencies, regulators and regulated entities will be established using DigiLocker service and Aadhaar as foundational identity. • **Entity DigiLocker** will be set up for use by MSMEs, large business and charitable trusts for storing and sharing documents • For the business establishments required to have a PAN, the PAN will be used as the **Common Business Identifier** for all digital systems of specified government agencies. • **Setting up of a unified filing process** to do away with the need for separate submission of same information to different government agencies. • **Setting up of National Financial Information Registry** to serve as the central repository of financial and ancillary information.	These are forward looking measures which will significantly improve ease of doing business through use of technology. Industry welcomes the announcement of a unified filing process across government agencies and simplified KYC norms, a long standing request of FICCI. These rationalization measures will go a long way in promoting financial inclusion and attracting more investors to the market. Measures such as Entity Digi-Locker would greatly improve the way India Inc is regulated.
2	**Review of regulations under the financial sector** • Financial sector regulators to carry out a comprehensive review of existing regulations. • To institute a public consultation mechanism	This is another important measure to improve ease of doing business and will make the regulatory framework simpler and more business friendly. A robust consultative process for providing suggestions on any change in law or regulation would remove any possible issues in interpretation in the regulatory framework and provide clarity in regulations. Will pave way for more global capital inflows.
3	**Measures to boost GIFT IFSC** • Extension of period of tax benefits to funds relocating to IFSC until 31st March 2025 • Single window IT system to be set up for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI • Permitting acquisition financing by IFSC Banking Units of foreign banks	All the measures put together would prevent export of India's business to other countries and promote foreign capital to participate in India's growth journey, further facilitating IFSC's potential to develop into a dominant gateway for global capital inflows and outflows. This would ultimately meet India's development needs by meeting the key objectives of boosting job

	• Subsidiary of EXIM Bank to be established for trade re-financing • IFSCA Act to be amended for statutory provisions on arbitration, ancillary services and avoiding dual regulation under SEZ Act • Distributed income from offshore derivative instruments entered into with an offshore banking unit to be exempted subject to certain conditions. • Setting up of Data Embassies in GIFT IFSC for countries looking for digital continuity solutions.	creation and providing market access to India's growing financial services sector.
4	**Capacity building measures in securities market** • SEBI will develop, regulate, maintain and enforce norms and standards for education in the National Institute of Securities Markets. The Regulator will also recognize award of degrees, diplomas and certificates. • Financial sector regulators and organizations will be encouraged to provide age-appropriate reading material to National Digital Library for children and adolescents.	Developing standards for education in NISM will significantly contribute in capacity building of professionals in the securities market. Providing age-appropriate reading material to children will improve financial literacy amongst young population and foster financial discipline from a young age.
5	**Conversion of Gold to Electronic Gold Receipt** The conversion of physical gold to Electronic Gold Receipt and vice versa will not to be treated as a transfer and hence would not attract capital gains.	This would attract more investments in electronic gold receipts and facilitate further development of gold as a financial asset.
6	**Private investment in Infrastructure** The newly established Infrastructure Finance Secretariat will assist stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure and power, which are predominantly dependent on public resources.	Private participation is critical alongside public investment to meet infrastructure needs of the economy. Setting up of the Infrastructure Finance Secretariat would abet private investment in infrastructure in a focussed manner.
8	**Municipal Bonds** To provide incentives for urban civic organizations to improve their finances and creditworthiness and to assist them in raising funds through municipal bonds.	Listing municipal bonds on stock exchanges can pave the way for the much-needed development of a secondary market in India for municipal bonds.

Overall Assessment of Budget for Sector's Growth and Development

The announcement of a new, simplified KYC regime from a 'one size fits all' approach to a 'risk-based' approach is a very welcome move. FICCI gratefully acknowledges Government's positive consideration of this long-standing request. In addition to investors, all the financial sector regulators, including the RBI, IRDAI and SEBI, stand to benefit from this shift.

Easing and streamlining of regulations pertaining to GIFT IFSC will give a boost to India's maiden international financial services centre. Exempting conversion of physical gold to Electronic Gold Receipt and vice versa from capital gains tax would remove the barrier to digital investments in gold.

FICCI also welcomes the announcement of setting up of National Financial Information Registry which will optimize lending processes. Backed by use of PAN as the common identifier for all digital systems, the ease with which public credit can be availed would greatly improve.

In the spirit of effective governance and strong consultative mechanism with industry and citizens, the budget also identifies priorities such as improving bank governance, truncating response time and facilitating optimum regulations in financial sector. Measures such as Entity Digi-Locker for secure storing and sharing of documents with the business eco-system would greatly improve the way India Inc is regulated.

Chemicals & Petrochemicals

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry - Department of Chemicals and Petrochemicals	**208.18**	**150.68**	**173.45**	**15.11**
Outlays for key sectoral schemes				
Central Sector Schemes/Projects				
Chemical Promotion and Development Scheme	3.14	3.00		-100
Promotion of Petrochemicals	51.57	29.00		-100
New Schemes of Petrochemicals			22.00	
Total-Central Sector Schemes/Projects	**54.71**	**32.00**	**22.00**	**-31.25**
Other Central Sector Expenditure				
Statutory and Regulatory Bodies				
Assistance related to Bhopal Gas Leak Disaster	**18.02**	**22.83**	**23.40**	**2.50**

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	Customs duty on Denatured ethyl alcohol has been exempted.	Denatured ethyl alcohol is used in chemical industry. Exemption of basic customs duty on Denatured ethyl alcohol will support the Ethanol Blending Programme and facilitate India's endeavour for energy transition**.**
2	Basic customs duty on acid grade fluorspar has been reduced from 5% to 2.5% . Also, the basic customs duty on crude glycerin has also been reduced from 7.5% to 2.5%.	Reduction in acid grade fluorspar is beneficial as it will make the domestic fluorochemicals industry competitive. Reduction in basic custom duty of Crude glycerin is significant for use in manufacture of epichlorohydrin.

Civil Aviation

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	**71918.14**	**9363.7**	**3113.36**	**-66.75**
Grants for Skill Development				
Grants for Skill Development		0.01	0.01	
Grants-in-Aid to Institutions in Civil Aviation for promotion/ development of Aero Sports		0.01	0.01	
Providing Medical Benefits to retired employees of Air India	45	125	130	4
Actual Recoveries	-0.07			
Total Establishment Expenditure of Centre	400.76	567.49	641.76	13
Centre Sector Schemes				
Regional Connectivity Scheme	980.27	1078.81	1244.07	15.31
Purchase of 2 New Aircraft for special extra section flight operations	129.89	39.32	0.01	-100
Air India Asset Holding Ltd. (SPV)	1378	7200		-100
Krishi Udaan Scheme		0.01	0.01	
Production Linked Incentive (PLI) Scheme for Drone Component		40	33	-17.5
Total Centre Sector Schemes	2488.61	8358.14	1277.09	-85
Other Central Sector Expenditure				

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	Fifty additional airports, heliports, water aerodromes and advance landing grounds	Boost affordable regional connectivity and will add impetus for infrastructure development, especially in tier-2 and 3 cities.

Culture

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	**2543.76**	**3363.07**	**3399.65**	**1.05%**
Outlays for key sectoral schemes	436.20	836.89	650.74	-22.2 %
Centenaries and Anniversaries, Celebrations and Schemes	125.64	353.82	185.00	-47.5%
Kala Sanskriti Vikas Yojana	156.46	214.36	210.49	-1.86%
Development of Museums	142.72	214.23	183.86	-14.8%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	PM VIKAS (Pradhan Mantri Virasat Ka Samvardhan) Scheme	The package of assistance under this scheme is for traditional artisans and craftspeople. It will benefit the marginal workers engaged in creating handicrafts and other items.

Defence

Capital Outlay on Defence Services (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Capital Outlay on Defence Services	137986.97	150000.00	162600.00	**8.40 %**
Army	25130.94	32597.49	37241.54	**14.25%**
Navy	45028.63	47727.03	52804.75	**10.64%**
Air Force	51826.56	53749.40	57137.09	**6.30%**
Technology Development - Assistance for prototype development under Make procedure				
Projects of the Army	NIL	1.00	100.00	**9900.00%**
Projects of the Air Force	1390.63	121.77	1231.62	**911.43%**
Investment in Public Enterprises	1643.00	1310.00	1310.00	**NIL**

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	8.4% increase in Capital Budget Allocation on Defence Services for the Year 2023-24 over R.E 2022-23	There will be continued emphasis on manufacturing defence equipment in India
2	Over Rs 1300 crore allocated for MAKE projects	For the first time, a significant outlay has been made under MAKE category. Large Army projects like the Light Tank have been announced. This is a positive development.

E-Commerce

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Department for Promotion of Industry and Internal Trade	8251.95	6725.01	8200.63	22%
Ease of Doing Business	9.13	11.50	10.00	-13%
Startup India	20.18	44.29	30.00	-32%
Startup India Seed Fund Scheme (SISFS	100.00	140.00	160.00	14%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Relief to start-ups in carrying forward and setting off of losses** The condition of continuity of at least 51 per cent shareholding for setting off of carried forward losses is relaxed for an eligible start up if all the shareholders of the company continue to hold those shares. At present this relaxation applies for losses incurred during the period of 7 years from incorporation of such start-up. It is proposed to increase this period to 10 years. **Extension of date of incorporation for eligible start up for exemption** Certain start-ups are eligible for some tax benefit if they are incorporated before 1st April, 2023. The period of incorporation of such eligible start-ups is proposed to be extended by one year to before 1st April, 2024.	This will help startups to be operationally efficient and promote growth of new innovative e-commerce based startups.
2	**Decriminalisation** Section 132 and section 138 of CGST Act are being amended, inter alia, to – • raise the minimum threshold of tax amount for launching prosecution under GST from ` one crore to ` two crore, except for the offence of issuance of invoices without supply of goods or services or both; • reduce the compounding amount from the present range of 50 per cent to 150 per cent of tax amount	This will help companies in avoiding legal disputes and criminal penalties

	to the range of 25 per cent to 100 per cent; • decriminalize certain offences specified under clause (g), (j) and (k) of sub-section (1) of section 132 of CGST Act, 2017, viz.- o obstruction or preventing any officer in discharge of his duties; o deliberate tempering of material evidence; o failure to supply the information.	
3	**Facilitate e-commerce for micro enterprises** Amendments are being made in section 10 and section 122 of the CGST Act to enable unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs), subject to certain conditions.	This will help in promoting small unregistered sellers for onboarding on ecommerce platforms which was a hindrance earlier as only registered sellers were allowed to participate
4	For enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. For furthering the trust-based governance, the Jan Vishwas Bill has been introduced to amend 42 Central Acts.	This will help companies in focusing on expansion of business
5	For realizing the vision of *"Make AI in India and Make AI work for India",* three centres of excellence for Artificial Intelligence will be set-up in top educational institutions. Leading industry players will partner in the same.	The use of AI will have a significant impact on many industries, including e-healthcare, and the statement that the COEs will cooperate with private firms to jointly develop new models seems extremely promising. This project has a real possibility to ensure that India leads the world in the digital economy and develops models that the rest of the world can follow - provided it is implemented properly alongside the National Data Governance Policy.
6	To unleash innovation and research by start-ups and academia, a National Data Governance Policy will be brought out. This will enable access to anonymized data.	This would offer ascent to a governance environment that permits anonymised access for research by start-ups and universities in India while simultaneously preserving privacy, security, and trust. This will also help many innovative ecommerce startups to leverage data and start new businesses and grow digital economy
7	The KYC process will be simplified adopting a 'risk-based' instead of 'one size fits all' approach. The financial sector regulators will also be encouraged	This will help ecommerce companies with faster on-boarding of sellers.

	to have a KYC system fully amenable to meet the needs of Digital India.	
8	A one stop solution for reconciliation and updating of identity and address of individuals maintained by various government agencies, regulators and regulated entities will be established using DigiLocker service and Aadhaar as foundational identity.	This will help ecommerce companies in identifying sellers at market place efficiently.
9	For obviating the need for separate submission of same information to different government agencies, a system of 'Unified Filing Process' will be set-up. Such filing of information or return in simplified forms on a common portal, will be shared with other agencies as per filer's choice.	This will promote EODB in a big way as one national single window will be available for various compliances
10	An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts. This will be towards storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.	This will promote EODB.
11	A national financial information registry will be set up to serve as the central repository of financial and ancillary information. This will facilitate efficient flow of credit, promote financial inclusion, and foster financial stability. A new legislative framework will govern this credit public infrastructure, and it will be designed in consultation with the RBI.	This will help e-commerce companies in better understanding of suppliers and their needs.
12	For countries looking for digital continuity solutions, setting up of their Data Embassies in Gujarat International Finance Tech-city (GIFT) International Financial Services Centre (IFSC) will be facilitated.	This will help in attracting lot of global ecommerce companies to set up data backs ups in India.
13	A Central Processing Centre will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.	This will help ecommerce companies and their suppliers to meet compliances at faster pace.

14	One hundred labs for developing applications using 5G services will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential. The labs will cover, among others, applications such as smart classrooms, precision farming, intelligent transport systems, and health care applications.	This will help develop the market for healthcare applications in e-commerce sector.
15	Ayushman Bharat Digital Mission - An open platform, for the National Digital Health Ecosystem will be rolled out. It will consist of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities. Development of Unified Health Interface, which is an open network to enable the transaction of digital health services (e.g., tele-consultation) across different applications/platforms, is in progress	With a decent allocation of Rs. 341.02 cr to Ayushman Bharat Digital Health Mission, the Union Budget 2023-24 will enable continued progress towards enabling digital access to consumers and also provide an opportunity for healthtech companies to participate.

Overall Assessment of Budget for Sector's Growth and Development

The ecommerce industry's upward trend is maintained under the Union Budget 2023–24. For instance, the Union Budget 2023–24 will permit sustained progress toward enabling consumers' access to digital platforms and will also present an opportunity for e-healthtech firms to get involved with a commendable allocation of Rs. 341.02 cr towards Ayushman Bharat Digital Health Mission.

Electronics

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	**8256.27**	**11719.95**	**16549.04**	**41.2**
Promotion of Electronics and IT HW Manufacturing (MSIPS, EDF and Manufacturing Clusters)	**1193.02**	**1199**	**700**	**-41.6**
R and D in IT/Electronics/CCBT	**502.04**	**365**	**600**	**64.4**
Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India		**200**	**3000**	**1400.0**
i. Modified Scheme for setting up of Compound Semiconductors/Silicon Photonics/Sensors Fab/Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities in India		**200**	**1799.92**	**800.0**
ii. Modified Scheme for Setting up of Semiconductor Fabs in India			**1000**	
iii. Modified Scheme for setting up of Display Fabs in India			**0.04**	
iv. Modernisation of Semi-Conductor Laboratory, Mohali			**0.04**	
v. Design Linked Incentive Scheme			**200**	
Production Linked Incentive Scheme (PLI)			**4645.04**	
i. Production linked Incentive for Large Scale Electronics Manufacturing		**2203**	**4499.04**	**104.2**
ii. Production Linked Incentive for IT Hardware			**146**	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Government has made substantial allocation in Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India	This is the need of the hour to encourage semiconductor facility and thereby component ecosystem in the country
2	To promote value addition in manufacture of televisions, BCD on parts of open cells of TV panels has been reduced to 2.5 per cent.	This should hopefully encourage open cell manufacturing in India, however, FICCI has requested for a stable duty structure with a

		0% BCD on Open cell and some additional support for components of open cell.
3	To rectify inversion of duty structure and encourage manufacturing of electric kitchen chimneys, the basic customs duty on electric kitchen chimney has been increased from 7.5 per cent to 15 per cent and that on heat coils for these is proposed to be reduced from 20 per cent to 15 per cent.	This may help the industry to transition towards more local value addition over the years
4	Custom duty exemptions for parts and components of certain electronic items has either been done away with or been extended for a year	

Overall Assessment of Budget for Sector's Growth and Development

The focus of the Government is to promote domestic manufacturing which has been further emphasized by the budget announcements. The Government outlays on various schemes under electronics have been increased tremendously to ensure the development of component ecosystem in the country, thereby reducing import dependence. Reduction in custom duties for inputs/parts of certain electronic items like lithium Ion batteries, TV, Camera Lens will improve the feasibility for enhancing backward integration and subsequently enabling local manufacturing of electronics.

Electric Vehicles

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	1167.58	3220.33	6171.63	91.6%
Outlays for key sectoral schemes				
Scheme for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India - (FAME - India).	800	2897.84	5171.97	78.5%
Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components	-	10.74	604.00	5523.8%
Production Linked Incentive (PLI) Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage	-	0.90	1.00	11.1%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	FAME II Budget allocation increased by 78 %	It is encouraging to see high allocation under FAMEII to encourage adoption of EVs.
2	Higher budget allocation in PLI Scheme for Automobiles and Auto Components (Rs 604 Cr)	This will encourage components manufacturing for EVs
3	Vehicles scrappage policy- Vehicle scrapping policy was mentioned in Budget 2021-22. Government has allocated adequate funds to scrap old vehicles of the Central Government. States will also be supported in replacing old vehicles and ambulances.	The budgetary support for scrapping would accelerate the transition towards electric vehicles
4	Customs duty exemption is being extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.	It will bring down the cost of EV batteries thereby reducing the cost of EV adoption. Help in creating EV eco-system in the country.
5	Conditional exemption of custom duty given on batteries for electrically operated vehicles, including two and three wheeled electric motor vehicles extended for one more year till March 2024.	A move to accelerate transitioning to EVs manufacturing and adoption, while at the same time giving time to develop battery eco-system in the country.

Overall Assessment of Budget for Sector's Growth and Development

In recent years, electric vehicles (EVs) have become increasingly popular in India owing to growing eco-consciousness, efforts to reduce dependence on fossil fuels, and rising fuel costs. Building on this momentum and continuing with the country's green objectives, various programs have been implemented and scaled up in efforts for reducing carbon intensity of the economy and providing for large-scale green job opportunities. Measures have also been announced that would support battery and component eco-system in the country in the transition period. Overall today's Budget announcement would assist in transitioning towards green mobility.

Environment & Climate Change

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	2432.68	2478.00	3079.40	24.27%
Outlays for key sectoral schemes				
Environment, Forestry and Wildlife	657.47	549.18	758.80	38.17%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Green Hydrogen Mission** - The recently launched National Green Hydrogen Mission, with an outlay of ` 19,700 crores, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports, and make the country assume technology and market leadership in this sunrise sector. Government's target is to reach an annual production of 5 MMT by 2030. **Energy Transition** - This Budget provides 35,000 crores for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum & Natural Gas. **Energy Storage Projects –** To steer the economy on the sustainable development path, Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding. A detailed framework for Pumped Storage Projects will also be formulated.	These initiatives will unlock the next phase of India's energy transition as India looks to reduce its import dependence on fossil fuels and move forward on its 2030 NDC targets. As in the past, government's thrust on clean energy transformation augurs well for meeting international commitments in this domain. The budget meets demands of the sector. Government seeks to greatly accelerated EV adoption in India by subsidising the cost of EV for the end consumer. Reducing the custom duty on import of capital goods for manufacturing Li-ion batteries will help reduce the cost of vehicles further and give a boost to manufacture of EVs, encouraging greater shift towards environment friendly transportation.
2	**Green Credit Programme -** For encouraging behavioural change, a Green Credit Programme will be notified under the Environment (Protection) Act. This will incentivize environmentally sustainable and responsive actions by companies, individuals, and local bodies, and help mobilize additional resources for such activities.	This announcement will help bring in much needed awareness for sustainable initiatives, including capacity building and awareness, especially across industries working in hard-to-abate sectors.

3	**Coastal Shipping** - Coastal shipping will be promoted as the energy efficient and lower cost mode of transport, both for passengers and freight, through PPP mode with viability gap funding. **Vehicle Replacement** - Replacing old polluting vehicles is an important part of greening our economy. In furtherance of the vehicle scrapping policy mentioned in Budget 2021-22, I have allocated adequate funds to scrap old vehicles of the Central Government. States will also be supported in replacing old vehicles and ambulances.	Promoting coastal shipping will give impetus to sustainable logistics (also help in lowering average logistics costs) and sustainable mobility for people. Cleaner technology vehicles which are less polluting, more efficient, and can work on new age fuels will help in lowering air pollution levels in cities.
4	**PM-PRANAM** - "PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" will be launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers. **GOBARdhan scheme -** 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of INR 10,000 crore. In due course, a 5 per cent CBG mandate will be introduced for all organizations marketing natural and biogas. For collection of bio-mass and distribution of bio-manure, appropriate fiscal support will be provided. **Bhartiya Prakritik Kheti Bio-Input Resource Centres -** Over the next 3 years, we will facilitate 1 crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.	Focus on Waste to Wealth plants and facilitating farmers to adopt natural farming and incentivising alternate fertilisers is a positive step for sustainable farming. Setting up an Agriculture Accelerator Fund will help catalyse the Agri transformation. Announcing PM PRANAM to incentives states to move to alternative fertilisers coupled with the focus on natural farming is a great starting point for the decarbonisation of the Agriculture Sector while ensuring its growth.
5	**MISHTI -** Building on India's success in afforestation, 'Mangrove Initiative for Shoreline Habitats & Tangible Incomes', MISHTI, will be taken up for mangrove plantation along the coastline and on salt pan lands, wherever feasible, through convergence between MGNREGS, CAMPA Fund and other sources. **Amrit Dharohar -** Wetlands are vital ecosystems which sustain biological diversity. In his latest	Development of mangroves along the coastline, wetlands, Ramsar sites will assist in bio-conservation efforts, post the COP15 UN biodiversity summit at Montreal, Canada.

	Mann Ki Baat, the Prime Minister said, “Now the total number of Ramsar sites in our country has increased to 75. Whereas, before 2014, there were only 26…” Local communities have always been at the forefront of conservation efforts. The government will promote their unique conservation values through Amrit Dharohar, a scheme that will be implemented over the next three years to encourage optimal use of wetlands, and enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.	

Overall Assessment of Budget for Sector’s Growth and Development

It is welcome to note that green growth has been identified as one of the key priorities for the Government in this budget. Some of the initiatives supporting the Agriculture Sector will set a strong foundation for the future. The focus on facilitating farmers to adopt natural farming and incentivising alternate fertilisers is a positive step for sustainable farming. The allocation for grid Integration to unlock the next stage in our renewable energy transition is welcome reduce its import dependence on fossil fuels and move forward on its 2030 NDC targets. It is encouraging to see the thrust on Municipal bonds in the Budget. Combined with the focus on waste to wealth plants, Municipal Bonds could unlock green debt financing for cities and help them transform into sustainable cities of tomorrow.

EODB

	Budget Announcement	Likely Implication
1	**Enhancing ease of doing business** • Introduction of **Jan Vishwas Bill** to amend 42 Central Acts. • Setting up of **Central Data Processing Centre** for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.	This move will reduce compliance burden of companies by decriminalizing certain minor offences under the Acts covered by the Bill, improving ease of living and doing business and instilling a great degree of faith and trust between the corporate sector and administration. In line with other measures aimed at increasing the use of technology, the Centre will truncate Corporate Affairs Ministry's response time with respect to corporate filings.
2	**Reclaiming shares and dividends** An integrated IT portal to be established for investors to reclaim unclaimed shares and unpaid dividends from the Investor Education and Protection Fund Authority.	This will simplify the entire process of reclaiming shares and unpaid dividends and further the cause of investor protection through digitisation.
3	**Dispute Resolution** • **Vivad se Vishwas 2 – Settling Contractual Disputes** Introduction of a voluntary settlement scheme to settle contractual disputes of government and government undertakings, where arbitral award is under challenge in a court. Settlement terms will depend on pendency level of the dispute. • **E-Courts** Phase-3 of E-Courts project to be launched with an outlay of 7,000 crore.	This will provide impetus to dispute resolution and will reduce litigation and also burden on courts. In keeping with the Government's focus on digitization, continued emphasis on E-courts will help to provide a cost effective and speedier disposal of cases, improving the judicial delivery system in the country.

Overall Assessment of Budget on measures to improve ease of doing business

Government's continued focus on Vivad se Vishwas as a dispute resolution mechanism has gone a long way towards improving ease of doing business. Phase 3 of the E-courts project by a renewed outlay of Rs 7,000 crore shall be initiated. This will also reduce the burden of our judiciary and enable expeditious disposal of cases.

FICCI also applauds Government's proposal to introduce the next set of Ease of Doing Business reforms in India through the Jan Vishwas Bill and Central Data Processing Centre. In doing so, the Government

has demonstrated its commitment for promoting ease of doing business for domestic and global investors. More than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized until now. The exercise has further enhanced India's image as an attractive investment destination, which would only get strengthened further with adoption of a trust-based approach towards compliance. Creation of an environment of transparency and fairness would also give fillip to entrepreneurship.

Establishing an integrated IT portal for re-claiming shares and unpaid dividends is a positive step aimed at investor protection.

External Trade

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry - **Department of Commerce**	7307.80	6456.00	5254.58	(-)18.61%
Outlays for key sectoral schemes				
Interest Equalisation Scheme	3487.97	2376.02	2932.00	23.40%
Investment in ECGC (Export Credit Guarantee Corporation)	760.00	388.00	0.01	(-)100%
Overall for the Sector / Ministry – **Ministry of Finance**	57586.69	36687.44	38510.08	4.97%
Remission of Duties and Taxes on Exported Products (RoDTEP)		13699.40	15069.34	10.00%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A simplified tax structure with fewer tax rates helps in reducing compliance burden and improving tax administration. The basic customs duty was reduced on goods, other than textiles and agriculture, from 21 to 13. As a result, there are minor changes in the basic custom duties, cesses and surcharges on some items including toys, bicycles, automobiles and naphtha.	It will promote exports, boost domestic manufacturing, enhance domestic value addition, encourage green energy and mobility.

Financial Services

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Department of Financial Services (Gross)	75393.90	6303.42	1374.66	-359%
Outlays for key sectoral schemes				
Guarantee Emergency Credit Line (GECL) facility to eligible MSME borrowers	7445	10500	14100	26%
Crop Insurance Scheme	13549	12376	13625	9%
Promotion of Digital payment	1044	2137	1500	-42%
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	66825	60000	60000	0%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Simplification of Know Your Customer (KYC) process** • The KYC process will be simplified adopting a 'risk-based' instead of 'one size fits all' approach. The financial sector regulators will also be encouraged to have a KYC system fully amenable to meet the needs of Digital India. • A one stop solution for reconciliation and updating of identity and address of individuals maintained by various government agencies, regulators and regulated entities will be established using DigiLocker service and Aadhaar as foundational identity.	Risk based KYC is a very progressive step. further, one-stop solution for reconciliation and updating of identity and address of individuals would ensure swift and seamless onboarding of consumers and also expand the scope of digital products for consumers.
2	**Common Business Identifier** • For the business establishments required to have a Permanent Account Number (PAN), the PAN will be used as the common identifier for all digital systems of specified government agencies. This will bring ease of doing business; and it will be facilitated through a legal mandate.	This will reduce multiple requirements of KYC. This is a step towards furtherance of ease of operations in India. Simplifying the KYC process to meet the needs of Digital India is a progressive move.

3	**Fintech Services** • Fintech services in India have been facilitated by digital public infrastructure including Aadhaar, PM Jan Dhan Yojana, Video KYC, India Stack and UPI. To enable more Fintech innovative services, the scope of documents available in DigiLocker for individuals will be expanded.	Given the proven success and popularity of DigiLocker among Indian citizens, the inclusion of additional documents frequently required by banks and other financial institutions on the platform would further increase user convenience and help in the quick, secure, and transparent digital issuance of credit.
4	**Entity DigiLocker** • An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts. This will be towards storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.	Entity DigiLocker would give further push to the digital public Infrastructure. The availability of digital documents and available data would enable faster credit underwriting especially of the MSMEs.
5	**Credit Guarantee for MSMEs** Last year, it was proposed that the credit guarantee scheme for MSMEs will be revamped. The revamped scheme will take effect from 1st April 2023 through infusion of ` 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of ` 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent.	This will facilitate additional credit for Micro and Small Enterprises at competitive cost and expand employment opportunities.
6	**National Financial Information Registry** A national financial information registry will be set up to serve as the central repository of financial and ancillary information. This will facilitate efficient flow of credit, promote financial inclusion, and foster financial stability. A new legislative framework will govern this credit public infrastructure, and it will be designed in consultation with the RBI.	The central repository of financial and ancillary information will facilitate efficient flow of credit to productive sectors of the economy and also reduce frauds in the banking sector.
7	**Financial Sector Regulations** • To meet the needs of *Amrit Kaal* and to facilitate optimum regulation in the financial sector, public consultation, as necessary and feasible, will be brought to the process of regulation-making and issuing subsidiary directions. • To simplify, ease and reduce cost of compliance, financial sector regulators will be requested to carry out a comprehensive review of existing regulations. For this, they will consider suggestions from public and	Review of existing regulations would increase efficiencies in the financial sector as well as enhance ease of doing business.

	regulated entities. Time limits to decide the applications under various regulations will also be laid down.	
8	**Improving Governance and Investor Protection in Banking Sector** To improve bank governance and enhance investors' protection, certain amendments to the Banking Regulation Act, the Banking Companies Act and the Reserve Bank of India Act are proposed	Improving Governance and Investor Protection in Banking Sector would go a long way in creating confidence of customers in the banking sector as well as building Indian banks that can cater to country's aspirations.
9	**The agriculture credit target will be increased to ` 20 lakh crore with focus on animal husbandry, dairy and fisheries.**	Banks are key providers of agriculture credit. The move is step towards providing Kisan credit card facility to all farmers in the country.
10	**Digital Payments** In 2022, Digital payments increased 76 per cent in transactions and 91 per cent in value. Fiscal support for this digital public infrastructure will continue in 2023-24.	Digital payments have grown significantly in India. The continued impetus would encourage further adoption of digital payments. There will also be a focus to promote use of payment platforms that are economical and user friendly especially in the tier 3 and 4 cities and rural areas.
11	**Centres of Excellence for Artificial Intelligence** For realizing the vision of *"Make AI in India and Make AI work for India",* three centres of excellence for Artificial Intelligence will be set-up in top educational institutions. Leading industry players will partner in conducting interdisciplinary research, develop cutting-edge applications and scalable problem solutions in the areas of agriculture, health, and sustainable cities. This will galvanize an effective AI ecosystem and nurture quality human resources in the field.	Financial institutions in India are using AI-powered solutions to improve security and transparency in systems for payments fraud detection and prevention. There are Innovative lending products with data-driven insights enabling the prediction and minimisation of credit risk as well as analytics-based collection models. Such developments have positive implications for financial inclusion. Expansion of AI capabilities and talent pool is useful for financial sector and fintech.
12	**National Data Governance Policy** To unleash innovation and research by start-ups and academia, a National Data Governance Policy will be brought out. This will enable access to anonymized data.	Fintechs would be able to access anonymized data in the financial sector and build solutions with focus on customer centricity, regulatory compliance and risk mitigation.
13	**Mahila Samman Saving Certificate** • Mahila Samman Savings Certificate, will be made available for a two-year period up to March 2025. This will offer deposit facility upto ` 2 lakh in the name of women or girls for a tenor of 2 years at fixed interest rate	These measures would mobilize deposits with the banks and provide funds for further credit growth.

	of 7.5 per cent with partial withdrawal option • The maximum deposit limit for Senior Citizen Savings Scheme will be enhanced from ` 15 lakh to ` 30 lakh. • The maximum deposit limit for Monthly Income Account Scheme will be enhanced from ` 4.5 lakh to ` 9 lakh for single account and from ` 9 lakh to ` 15 lakh for joint account	

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget for the year 2023-24 is progressive for the financial services sector. The budget included Financial Sector is one of the seven priorities 'Saptarishi' guiding through the Amrit Kaal. There is significant attention to digital public goods, KYC, data, AI and how to accelerate further developments - This will be a force multiplier for financial access and FinTech in India and will move the ecosystem to a whole new level.

Recent regulatory initiatives by the RBI and Government of India have made paperless and presence-less access to finance a reality in India. The Fintech revolution in India is the culmination of years of effort by Government of India and RBI in laying the groundwork towards developing key enablers through important initiatives like the Jan Dhan Yojna, Video KYC, Financial Literacy, India Stack, and UPI amongst others.

While the payments revolution has been successful in India, measures such as National Financial Information Registry, Entity DigiLocker, Common Business Identifier and expanding scope of digilocker will usher digital revolution in access to credit using digital public good. Credit is the lifeline of economic growth with strong correlation between growth in access to retail credit for consumers and growth in per capita GDP. The budget announcements will enable leveraging both financial & non-financial data and strengthen underwriting & monitoring Further, there is focus on mobilizing deposits , the accumulation of deposits will enable banks to fund the growing credit demand.

There is significant focus on GIFT IFSC and measures such as permitting acquisition financing by IFSC Banking Units of foreign banks and establishing a subsidiary of EXIM Bank for trade re-financing are positive for the banking sector.

Improving Governance and Investor Protection in Banking Sector would go a long way in creating confidence of customers in the banking sector as well as building Indian banks that can cater to country's aspirations.

FMCG

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Department of Consumer Affairs	2210.51	219.55	250.66	14.17%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Amendments in the Customs Act, 1962** Section 25 (4A) is being amended to exclude certain categories of conditional customs duty exemptions from the validity period of two years, such as, notifications issued in relation to multilateral or bilateral trade agreements; obligations under international agreements, treaties, conventions including with respect to UN agencies, diplomats, international organizations; privileges of constitutional authorities; schemes under Foreign Trade Policy; Central Government schemes having a validity of more than two years; re-imports, temporary imports, goods imported as gifts or personal baggage; any other duties of Customs under any other law in force including IGST levied under section 3(7) of Customs Tariff Act, 1975, other than duty of customs levied under section 12 of the Customs Act 1962. Section 127C is being amended to specify a time limit of nine months from date of filing application for passing final order by Settlement Commission.	The duty exemptions which were getting over have been protected for FTAs and International agreements. This will help FMCG industry in case we are importing items under FTA's.
2	**Decriminalisation** Section 132 and section 138 of CGST Act are being amended, inter alia, to - • raise the minimum threshold of tax amount for launching prosecution under GST from ` one crore to ` two crore, except for the offence of issuance of invoices without supply of goods or services or both; • reduce the compounding amount from the present range of 50 per cent to 150 per cent of tax amount to the range of 25 per cent to 100 per cent;	This is an EODB measure to decriminalise offenses

	• decriminalize certain offences specified under clause (g), (j) and (k) of sub-section (1) of section 132 of CGST Act, 2017, viz.- ○ obstruction or preventing any officer in discharge of his duties; ○ deliberate tempering of material evidence; ○ failure to supply the information.	
3	For enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. For furthering the trust-based governance, the Jan Vishwas Bill has been introduced to amend 42 Central Acts.	It is very welcome move towards EODB and it will certainly channelize the resources of the company efficiently instead of contesting litigations
4	For the business establishments required to have a Permanent Account Number (PAN), the PAN will be used as the common identifier for all digital systems of specified government agencies. This will bring ease of doing business; and it will be facilitated through a legal mandate.	Single KYC will help in reducing the different kinds of requirements under various laws.
5	For obviating the need for separate submission of same information to different government agencies, a system of 'Unified Filing Process' will be set-up. Such filing of information or return in simplified forms on a common portal, will be shared with other agencies as per filer's choice.	This will promote EODB in a big way as one national single window will be available for various compliances
6	To settle contractual disputes of government and government undertakings, wherein arbitral award is under challenge in a court, a voluntary settlement scheme with standardized terms will be introduced. This will be done by offering graded settlement terms depending on pendency level of the dispute.	This will help in closure of pending issues
7	A Central Processing Centre will be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.	This will help FMCG companies and their suppliers to meet compliances at faster pace.

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget 2023–24's relief on personal income tax, which would provide a rebate of up to Rs. 7 lakh, will significantly strengthen the Indian markets. The FMCG sector gains as disposable income rises. Sales of fast-moving consumer goods (FMCG) and voluntary spending increase when consumers

have more disposable income. This is the perfect opportunity to pour more investment into the FMCG sector to increase supply-chain efficiency at the grassroots level.

Food Processing

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Dept. of Animal Husbandry & Dairying	2584.47	3105.17	4327.85	39.3%
Department of Fisheries	1358.61	1624.18	2248.77	38.4%
Ministry of Food Processing Industries	1146.40	1901.59	3287.65	72%
Pradhan Mantri Kisan Sampada Yojana	713.49	673.00	923.24	37.18
Production-Linked Incentive Scheme for Food Processing Industry	9.27	801.00	1530.00	91%
Prime Minister Formalisation of Micro Food Processing Enterprises Scheme (PM FME)	326.46	290.00	639.05	120%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Indian Institute of Millet Research, Hyderabad will be supported as a centre of excellence for sharing best practices, research and technologies at the international level.	This will help promote the cultivation and consumption of various millets produced in India and make India a global export hub.
2	Launch a new sub-scheme of PM Matsya Sampada Yojana with targeted investment of INR 6,000 crore	This will enable further activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market for fisheries in India.
3	Duty reduction on key inputs for domestic manufacture of shrimp feed.	This is a positive step to enhance the export competitiveness of India's marine products particularly shrimps and making India export hub in this category
4	**Startups:** Extension in the date of incorporation for income tax benefits to start-ups from 31.03.23 to 31.3.24. Also, the benefit of carry forward of losses on change of shareholding of start-ups from seven years of incorporation to ten years.	This will encourage more start-ups in the food processing sector as well which will bring more innovation in food and agri-sector.
5	**Logistics Support:** One hundred critical transport infrastructure projects, for last and first mile connectivity for food grains sectors have also been identified. This will	This will spur private sector investments in logistics for food sector and ease of first and last mile connectivity.

	be taken up on priority with investment of INR 75,000 crore, including INR 15,000 crore from private sources.	
6	**Unity Mall**: States will be encouraged to set up a Unity Mall in their state capital or most prominent tourism centre or the financial capital for promotion and sale of their own ODOPs (one district, one product), GI products and other handicraft products, and for providing space for such products of all other States.	The GI tagged and ODOP food products of Indian states will get wider outreach with promotion and sale in such malls.

Overall Assessment of Budget for Sector's Growth and Development

While no direct incentives for the food processing sector were provided in the budget, the sector would get benefited through schemes and incentives provided in other sectors like Agriculture and allied activities, economic development by facilitating startups, infrastructure development etc.

Healthcare

Budget Outlay for Sector (Rupees Crore)

Ministry/Department	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Health overall (Total)	84470.46	79145	**89155**	**12.65**
Department of Health and Family Welfare	81779.85	76370	**86175**	**12.84**
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PMABHIM)	584.04	1885.45	4200.00	122.81
Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	3115.55	6412.00	7200.00	12.29
National AIDS and STD Control Programme	2126.33	2182.01	3079.97	41.15
Family Welfare Schemes	300.16	473.97	516.60	8.99
Pardhan Mantri Swasthya Suraksha Yojana	9269.51	8269.56	3365.00	-59.31
National Health Mission	32958	33708	36785	9.13
Indian Council of Medical Research	1841.36	2116.73	2359.58	11.47
National Digital Health Mission	27.81	140	341	143.57
Department of Health Research	2690.61	2775	**2980**	**7.39**
Ministry of AYUSH	2359	2845.75	**3647.5**	**28.17**

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**Medical & Nursing Colleges** - One hundred and fifty-seven new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014.	This is a laudable step given the shortage of healthcare workforce in the country, especially nurses. However, the current state of existing Nursing colleges must be evaluated for upgradation & better job opportunity for nurses to be identified to curb international migration. On the other hand, this will also help in bringing foreign exchange by exporting of nursing services especially to developed countries.

2	**Sickle Cell Anaemia Elimination Mission-** A Mission to eliminate Sickle Cell Anaemia by 2047 will be launched. It will entail awareness creation, universal screening of 7 crore people in the age group of 0-40 years in affected tribal areas, and counselling through collaborative efforts of central ministries and state governments	Announcement of the mission to eliminate sickle cell anaemia by 2047 is a much needed and welcome step, as there are more than 2 crore patients living with Sickle Cell Disease in India. Widespread awareness generation and universal screening of 7 crore people in 0-40 yr in affected Tribal areas will be crucial first steps in this mission.
3	**Medical Research-** Facilities in select ICMR Labs will be made available for research by public and private medical college faculty and private sector R&D teams for encouraging collaborative research and innovation.	Given the learnings and experiences from the pandemic, health research and innovation is a crucial area. Government focus on this through collaborative approach is the right way ahead. It will widen the scope of Research and will facilitate Government-Industry partnerships to bring innovative products and cutting-edge technology in holistic healthcare sector.
4	**Pharma Innovation-** A new programme to promote research and innovation in pharmaceuticals will be taken up through centers of excellence. We shall also encourage industry to invest in research and development in specific priority areas.	It is a very welcome move and has potential to creat cost-effective drugs affordable for Indian masses as well to catapult India in the global Pharma market.
5	**Multidisciplinary courses for medical devices-** Dedicated multidisciplinary courses for medical devices will be supported in existing institutions to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing and research.	This will help in strengthening the healthcare ecosystem and increasing preparedness via education. Integration of tech in health and creating futuristic devices for better disease management. It will also help boost indigenous manufacture of medical devices.
6	**Centres of Excellence for Artificial Intelligence-** For realizing the vision of *"Make AI in India and Make AI work for India",* three centres of excellence for Artificial Intelligence will be set-up in top educational institutions. Leading industry players will partner in conducting interdisciplinary research, develop cutting-edge applications and scalable problem solutions in the areas of agriculture, health, and sustainable cities. This will galvanize an effective AI ecosystem and nurture quality human resources in the field.	This is an excellent step and will have positive transformational impact across segments in Healthcare sector. It will help in improving productivity of doctors, improving accuracy, reducing turnaround times of diagnosis and overall reducing costs of delivering predictive and precision healthcare. With India known for its tech capabilities around the world, this has huge potential. This will also help the Healthtech Startups come up with Innovative solutions in the Healthcare Delivery space
7	**Pradhan Mantri Kaushal Vikas Yojana 4.0** to be launched to skill youth within the next three years. On-job training, industry partnership, and alignment of courses with needs of industry will be emphasized. The scheme will also cover new age courses for Industry 4.0 like coding, AI, robotics,	Job oriented courses and skilling will be possible, Industry will be able to participate in designing and implementing training programs.

	mechatronics, IOT, 3D printing, drones, and soft skills. To skill youth for international opportunities, 30 Skill India International Centers will be set up across different States.	
8	**Skill India Digital Platform:** The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform for: • enabling demand-based formal skilling, • linking with employers including MSMEs, and • facilitating access to entrepreneurship schemes**.**	This will enhance usage and scope of digital healthcare technologies, platform will enable scientists and researchers to share and seek collaboration with Industry.
9	**National Data Governance Policy** To unleash innovation and research by start-ups and academia, a National Data Governance Policy will be brought out. This will enable access to anonymized data.	This announcement is in line with MeitY's draft on the National Data Governance Framework Policy (NDGFM) with increased emphasis on sharing of non-personal data for building a large repository of India-specific datasets and for use by researchers and start-ups. As part of the policy, the Indian government will also build the India Datasets program, which will consist of non-personal and anonymised datasets from Government entities that have collected data from Indian citizens or those in India. Private entities will be encouraged to share such data. This will lead to indigenous collaborative research for 'Make AI in India- Make AI for India' in healthcare sector amongst others and open up the opportunities for Precision healthcare in the country.
10	**5G Services** One hundred labs for developing applications using 5G services will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential. The labs will cover, among others, applications such as smart classrooms, precision farming, intelligent transport systems, and health care applications.	5G Labs dedicated to healthcare will ensure faster and safer healthcare delivery along with facilitating skill development programs for skilling, upskilling and reskilling across Tier 2-Tier3 cities, semi-urban and rural areas.
11	**Tourism** With an integrated and innovative approach, at least 50 destinations will be selected through challenge mode. In addition to aspects such as physical connectivity, virtual connectivity, tourist	This will help boost AYUSH & wellness Sector in the country.

	guides, high standards for food streets and tourists' security, all the relevant aspects would be made available on an App to enhance tourist experience	

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget has continued the past year's theme and has provided a blueprint to steer the economy over the 'Amrit Kaal' of 25 years. The focus of the Union Budget is undoubtedly on creating a technology and knowledge driven economy that will lead India towards Amrit Kaal.

Pushing the Atmanirbhar Bharat for Health, this budget has rightly focused on bridging the gap in nursing education, collaborative R&D focused on AI/Robotics & multidisciplinary program on Medtech & R&D in engineering colleges. This is a move in the right direction and will boost access to quality Healthcare in the country.

India is facing a massive crunch in the number of nursing staff, which makes up a major human resource in the healthcare. Strong focus on skill development and setting up nursing training facility is a very welcomed step. However, this is only partially addressing the problem of healthcare workforce.

Launch of mission to eliminate sickle cell anaemia by 2047, is good step in right direction and will help in creating awareness and screening of affected population, especially in tribal areas but will need strong collaborative efforts of public and private sector involvement. As sickle cell disease is caused by a genetic mutation, India must lead the way in using CRISPR-mediated gene therapy to cure SCD.

Ramping and opening up R&D for healthcare in select ICMR labs, will encourage research and innovation. This would prove vital for the projected sectoral growth and help India to continue to be the pharmacy of the world. However, we need to understand the working modalities and finances.

It is forward-looking budget for skill development in MedTech sector, in addition to its prior focus on manufacturing. This will ensure safe and effective use of medical technologies, create high value jobs and advance new capabilities including collaborative R&D, AI, Robotics, blockchain and other technologies for a vibrant MedTech sector.

Setting up three Centres of Excellence for Artificial Intelligence including one in healthcare is futuristic. AI has already started to play a big role in radiology and imaging, digital pathology, ophthalmology and oncology and it will have a great impact in improving productivity of doctors, improving accuracy, reducing turnaround times of diagnosis and overall reducing costs of delivering predictive and precision healthcare. It will also help in providing specialist care in diagnosis and treatment in those parts of the country that lack adequate number of specialists.

Government must also create NIMERS (National Institute of Medical Education and Research Sciences) across the country. These may be on similar lines like NIPERS (7 in number currently). These institutions may be opened in public private partnership with active involvement from industry. Eventually, they can be developed as Centres of Excellence.

The increase of 12% in healthcare expenditure is also a good step but does not seem to be enough to tide over the current challenges of upgradation of infrastructure and providing accessibility and affordability for quality healthcare in the country. The long pending demand of 0% GST in healthcare, tax incentives for creating health care infrastructure in tier 3-4 cities (urban-rural interface), increased allocation for preventive health care, neighbourhood wellness centres, universal health insurance,

new technology based personalised diagnostics which are essential and futuristic step for improving quality of life and reducing burden on overloaded existing healthcare facilities, have been overlooked.

The industry was hoping for more fund allocation on all these fronts. Given the size of India's population, we need much higher allocation in the health sector for improved accessibility to quality healthcare. The investment in healthcare is an investment in human capital, which is must to build up a healthy nation, which in turn will ultimately impact the economy of the nation.

In addition, we have seen the potential of PLI in steering the 'Make in India' journey. It's time to address the manufacturing and distorted duty structure on import of medical devices, especially as we look at the expansion of PLI. The government should consider expanding the PLI scheme for local manufacturing of MedTech Devices to supply infrastructure and technology-linked incentive schemes to boost R&D. The road ahead will need stronger public-private partnerships and sharper penetration of digital to take healthcare to the farthest reaches of the country. We look forward to a promising year ahead driven by the 'Make in India' dream.

Higher Education

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	33530.91	40828.35	44094.62	8.00
Outlays for key sectoral schemes				
World Class Institutions	1046.31	1200	1500	25.00
Scholarships for College and University Students	191.96	243	0	This has been merged with PMUSP
PM Uchchatar Shiksha Protsahan (PM-USP) Yojna			1554.00	***(launched this year)***
Digital India e-learning (including NMeICT, MOOCS, NAD, ABC, PM e-Vidya)	351.57	415	420	1.20
Research and Innovation (Including SPARC, IMPRINT, IMPRESS, STARS, MERITE)	56.44	185.24	210.61	13.70
National Apprenticeship Training Scheme (NATS	96.75	400	440.00	10%
Study In India	15	25	25	0.00
Champion Services - Education services-Internationalization of Higher Education	95.65	200	200	0.00
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	242.34	360.67	1500	315.89
Grants to Central Universities	8750.05	11034.32	11528.9	4.48
Support to Indian Institutes of Technology (IITs)	8081.62	9345	9661.5	3.39
Support of Indian Institutes of Management (IIMs)	651	608.23	300	-50.68
Support to NITs and IIEST	3485.39	4444	4820.6	8.47
Support to IISERs	1032.05	1397.53	1462	4.61
Support to Institutes of Information Technology (IIITs)	407.35	487.52	560	14.87

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1.	03 Centres of Excellence for Artificial Intelligence to be established in top educational institutions. Leading industry players will partner in conducting interdisciplinary research and in developing cutting edge applications.	It will promote 'make AI in India and make AI work for India' and develop cutting-edge AI solutions in the country. An effective AI ecosystem will develop the quality of human resource by accelerating human creativity, ingenuity and productivity and bring the next phase of technology-driven economic

		growth in India. This is a step in right direction to create robust innovation ecosystem.
2.	100 labs to be established in Engineering institutes for 5G Applications development.	This is a welcome move as it will help to realise the new range of opportunities, business models, entrepreneurship, and employment potential as it plans to cover applications such as smart classrooms, precision farming, intelligent transport systems, and healthcare applications.
3.	• National Digital Library for children and adolescents to be established facilitating quality books across geographies, languages, genres and levels. • States to be encouraged to establish physical libraries at Panchayat and ward level which are to be connected online to National Digital Library. • Age-appropriate reading materials to be kept in these libraries.	The National Digital Library will provide educational resources in all languages and develop financial literacy. The establishment of the National Digital Library for Children is a welcome step, especially at a time when digital education has become one of the primary mediums of education. It will enable to access books in digital format, reskill and upskill the workforce and will help in research and innovation. It is a step in right direction to reduce digital divide.
4.	157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014	Effective nursing and para medical professionals form the base of a high-quality healthcare in a country. This initiative of co- locating nursing colleges around medical colleges in the country is a good move forward that will enable nursing students to develop effective hands on training.
5.	District Institute of Education and Training will be developed as vibrant institutes for Teachers training.	This is a much-required step forward to build the capacity of the teachers at the district level and keep them up-to-date with the advancements in the education field. This will provide a conducive environment for innovation pedagogy, curriculum development, professional development of teachers and ICT implementation.
6.	New program for Research and Innovation in Pharma sector through Centres of Excellence.	India has become a leader in the pharmaceutical industry and this announcement will further deepen and the enrich the research ecosystem of the pharma industry
7.	To build capacity of functionaries and professionals in the securities market, SEBI will be empowered to develop, regulate, maintain and enforce norms and standards for education in the National Institute of	A robust securities market ecosystem would play a pivotal role in the transformative journey of India's economy. Hence, effective education

	Securities Markets and to recognize award of degrees, diplomas and certificates.	and training of professionals (through National Institute of Securities Markets) under the supervision of SEBI is a great move forward.

Overall Assessment of Budget for Sector's Growth and Development

The BE for Higher Education for FY2023-24 is Rs 44,094 crores (increase of 8% from the RE of INR 40,828 crores of FY 2022-23). The combined outlay for Central universities, IITs, IIITs, IISERs, NITs and IIMs constitute (64%) of the total sectoral budget. Increase in the RUSA fund allocation by 315 % (INR 1500 crores) is certainly a good move forward that will enable effective consolidation of state universities in India that are sizeable in numbers. However, it is also important that the government while prioritizing its funds allocation, looks at various important schemes/initiatives that are to be implemented as per the National Education Policy (NEP) 2020.

It is time for government to allocate large funds for promoting and augmenting research ecosystem in the country. The National Research Foundation (as announced during FY 2012-22 budget speech) needs to be expedited and executed on the ground. Further, Internationalization today, occupies a conspicuous space in the entire ecosystem of higher education in India. Hence, there is a need to allocate larger funds under "Study in India" program.

Homeland Security

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (FY24 over FY23)
Overall, for the Ministry of Home Affairs on Policing	106622.38	119070.36	127756.74	6.80%
Ministry of Home Affairs				
BSF Air Wing, Aircrafts, River Boats and Helibase	86.88	59.68	78.18	23.66%
Border Infrastructure and Management	2662.11	3738.98	3545.03	-5.47%
Border Area Development Programme	216.00	160.00	600.00	73.33%
Police infrastructure	2838.83	2188.38	3636.66	39.83%
Schemes for Safety of Women	100.00	136.13	321.00	57.59%
Modernization Plan IV for Central Armed Police Forces	30.92	154.40	202.27	23.66%
Modernization of Police Forces	3306.66	2432.06	3750.00	35.14%
Modernization of Prisons	50.00	100.00	250.00	60.00%
Ministry of Electronics & Information Technology				
Cyber Security Projects	310.51	100.00	400.00	75.00%
Cyber Security (CERT-In)	193.69	180.00	225.00	20.00%
Ministry of Civil Aviation				
Bureau of Civil Aviation Security	59.62	84.50	110.00	23.18%
Ministry of Defence (Civil)				
Coast Guard Organisation	6111.05	7298.33	7197.47	-1.41%

Overall Assessment of Budget for Sector's Growth and Development

There is an increase of 6.8 % in total budgetary allocation on Policing by the Ministry of Home Affairs (MHA). The Ministry has increased the budget for police infrastructure, safety of women, police modernization scheme and modernization of prisons. This could create opportunities in FY 2023-2024 in Homeland Security sector. In addition, other Ministries like MeitY & MoCA also indicated adequate budget growth under different schemes / projects.

Hydrocarbons

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	5753.63	33883.55	41007.72	21.025%
Outlays for key sectoral schemes	5491.33	33732.73	40785.60	20.908%
Scheme (LPG Subsidy)	3421.07	9170.50	2257.09	-75.387%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Allocation of INR 19,700 crore to the National Hydrogen Mission with an aim to reach hydrogen production capacity of 5 MMT by 2020.	It will facilitate decarbonisation of industrial, mobility and energy sectors; reduction in dependence on imported fossil fuels and feedstock; development of indigenous manufacturing capabilities; creation of employment opportunities; and development of cutting-edge technologies.
2	FM has earmarked INR 35,000 crores to prioritise transition towards cleaner energy projects in the country.	The huge energy outlay will help achieve the net zero target and energy security of the country.
3	Allocation of Rs10,000 crore for compressed bio-gas plants and 300 community and cluster-based biogas plants. All organization marketing and natural and bio gas to be mandated to provide 5 percent share to CBG plants.	The 'green growth' strategy and its focus on a "lifestyle for the environment" will help create a cleaner, greener, and more prosperous future .
4	Exemption of excise duty on GST-paid compressed bio gas contained in blended compressed natural gas.	It will help in avoiding cascading of taxes on blended compressed natural gas.

Overall Assessment of Budget for Sector's Growth and Development

The budget for 2023-24 tabled in parliament gave a huge impetus on the green growth strategy with big capital outlay announcements pertaining to energy transition, national hydrogen mission, CBG etc.

Information Technology and Telecommunication

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Ministry of Electronics and Information Technology	8118.65	11719.95	16549.04	41.20%
Department of Telecom Communications	31798.37	81821.11	97579.05	19.26%
Compensation to Service Providers for creation and augmentation of telecom infrastructure (DoT)	8300.00	3010.00	10400.00	245.51%
Optical Fiber Cable based network for Defense Services (DoT)	3069.92	1961.00	2158.00	10.04%
Digital India Program	4504.36	7603.50	4795.24	-36.93%
Promotion of Digital payment	1044.34	2137.00	1500.00	-29.80%
Promotion of IT/ITeS Industries	69.80	89.25	150.00	68.06%
Cyber Security Projects (NCCC & Others)	310.51	100.00	400.00	300%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Centre for excellence for Artificial Intelligence	The announcements of centres of excellence for artificial intelligence to enable 'Make AI for India' and 'Make AI work for India, is a welcome step by the Government and it shows the budget's futuristic approach for sustainable growth and development of the country. This will create a strong AI ecosystem in India to train skilled AI professionals, which will further fulfil the current and future demands of the country by envisioning a space for AI and other new age technologies, which the industry can leverage for next phase of Digital Transformation for sector like Agriculture, Healthcare and Sustainability.
2	100 labs for 5G solutions	The telecom sector has been once again at the centre of digital revolution with the rollout of 5G, and the announcement of hundred labs for the development of 5G solutions will further create a new range of opportunities for the sector. It will boost employment potential and business opportunities in the country. It will also provide a sandbox for rapid prototyping of 5G use cases addressing the needs of various industry segments that include manufacturing, transportation, healthcare, retail etc and will further enable a resilient & strong digital infrastructure in India.
3	National Data Governance Policy and Data Embassy.	This is a great initiative by the Government, as it will create a perfect balance between data protection and innovation. This will also provide an institutional framework for sharing of non-personal data sets while ensuring privacy, security, and trust which enables anonymized access for research by start-ups and academia in India. Further, Data Embassies will help India to create good economic relations with countries looking for digital continuity solutions, and further strengthen areas like Cloud Computing, and Data Centres.

4	Relief in customs duty on the import of mobile components	With the aim to make India an Electronics Manufacturing Hub for the world, the budget announced a relief in customs duty on the import of mobile components. Considering the fact that mobile manufacturing is a crucial segment of the ESDM industry, this will further strengthen the domestic manufacturing capabilities of the country and establish India as a part of global value and supply chain.
5	Digital Public Infrastructure for Agriculture and Agri-Tech Industry	The use of public digital infrastructure for the Agriculture and Agri-Tech sector under an open-source standard will create a huge momentum and catalyst for growth for the Agri-Tech industry. The next wave of technologies like 5G, Web 3.0 and Metaverse will further accelerate it and contribute to an additional GDP growth. This will enable inclusive farmer-centric solutions through relevant information services of planning and health, improved access to farm inputs, credit and insurance help for crop estimation, market intelligence, and support for the growth of the Agri-tech industry, and start-ups.

Overall Assessment of Budget for Sector's Growth and Development

As mentioned by the Hon'ble Finance Minister, the 2023-24 Budget Announcements were people-centric with an aim to overcome some of the global challenges. The budget is the first initiative by the Government as the economy has survived supply chain disruptions, global recession, and inflation in the years following COVID-19. The Budget enhanced the vision for the Amrit Kaal which is both futuristic and inclusive. It has boosted the ongoing focus on one of the major focus areas of Amrit kaal- "To embrace cutting-edge technologies". The budget has given its focus on leveraging technologies for empowering crucial sectors like agriculture, healthcare, education, transport, and mobility, with practical applications like e-court, national digital library, simplified KYC, digital identity, digital skilling etc. A greater emphasis has been placed on sustainable development of the country, with focus on ease of doing business, green technology, net zero, and overall development of the circular economy. Through a unified work approach between Research and Development (R&D) organizations, academia, and business, the budget 2023 presented a compelling opportunity to work together for purpose-sharing, synergy, collaboration, and cooperation in the ICT sector. The budget has shown India's positive attitude toward technology and as it is working tremendously to support the nation's digital-first strategy since it strives to become a USD 5 trillion economy.

Media & Entertainment

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	For realizing the vision of *"Make AI in India and Make AI work for India",* three centres of excellence for Artificial Intelligence will be set-up in top educational institutions. Leading industry players will partner in the same.	The proposed Centres of Excellence working on AI-based solutions for sustainable cities, health care, and agriculture is positive for growth of industry.
2	National Data Governance Policy to be introduced.	This would pave the way for a governance framework that allows start-ups and institutions in India to conduct research with anonymized access while still upholding privacy, security, and trust. Additionally, this will enable a large number of creative e-commerce entrepreneurs in the digital sector to use data to launch new ventures and expand the digital economy. Also, this will ensure that the big Tech Companies use of data will be part of this policy.
3	One hundred labs for developing applications using 5G services will be set up in engineering institutions to realise a new range of opportunities, business models, and employment potential.	This will unlock job prospects and commercial opportunities while also assisting in the development of the market for applications in the IT sector.
4	Countries looking for digital continuity solutions, Govt will facilitate setting up of their Data Embassies in Gujarat International Finance Tech-city (GIFT) International Financial Services Centre (IFSC).	For the digital sector, a data embassy is crucial, and it needs to have a secure, resilient data infrastructure that can shield a nation's data from both cyber and physical threats. They should also have a reliable system in place to provide effective data backup and fail-over. This will encourage numerous international media and entertainment organisations to establish data backup facilities in India.
5	Skill India Digital Platform The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform for: • enabling demand-based formal skilling, • linking with employers including MSMEs, and	The media and entertainment business is confident that the Skill India Digital Platform will help to empower youth to work in the sector and create skilled employees for it.

	• facilitating access to entrepreneurship schemes.	

Overall Assessment of Budget for Sector's Growth and Development

In order to capitalise on India's demographic dividend, the budget for 2023 pledges investments in new technological infrastructure, such as 5G networks that can enable higher bandwidth internet connections throughout the country. It also places a strong emphasis on skilling and upskilling the workforce. Future skills like artificial intelligence (AI), robotics, digital literacy, and others are also being prioritised. This will offer young people a leg up in their careers and prepare them for the constantly changing market.

This Budget could prove to be a game-changer by making India more competitive in the global market and providing better opportunities for economic growth.

Micro Small and Medium Enterprises

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	14980.01	15628.71	22137.95	41.65
Outlays for key sectoral schemes	15107.14	15565.97	21852.55	40.39
Scheme for Fund for Regeneration of Traditional Industries (SFURTI)	372.37	1.95	280.00	14258.97
Coir Vikas Yojana	79.81	87.14	92.00	5.58
Solar Charkha Mission	0	0	0	0.00
Khadi Grant (KG)	374.25	365.12	375.98	2.97
Khadi Vikas Yojana	305.53	306.13	498.42	62.81
Gramodyog Vikas Yojana	56.63	64.61	42.6	-34.07
ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship)	8.64	4.00	22.23	455.75
Credit Linked Capital Subsidy and Technology	112.61	0	0	0.00
Upgradation Scheme MSME Champions Scheme	875.00	51.81	52.72	1.76
Prime Minister Employment Generation Programme (PMEGP)	2889.37	2484.01	2700.00	8.70
Credit Support Programme	1680.00	0.08	500.08	625000.00
Distressed Assets Fund	0	0.04	0.04	0.00
Guarantee Emergency Credit Line (GECL) facility to eligible MSME borrowers	7445.00	10500.00	14100.00	34.29
Credit Linked Capital Subsidy (CLCS)	0	0	1.06	-

Procurement and Marketing Support Scheme	5.17	40.00	96.35	140.88
International Cooperation Scheme	3.25	12.00	0	-100.00
Studies, Publicity & International Cooperation (SPIC)	0	0	36.07	0.00
Mahatma Gandhi Institute for Rural Industrialisation	7.50	8.50	0	-100.00
Promotional Services Institutions and Programme	130.66	185.62	0	-100.00
Information, Education and Communication	2.94	4.00	0	-100.00
Assistance to Training Institutions	47.96	22.00	30.00	36.36
Fund of Funds	180.35	439.40	575.00	30.86
Entrepreneurship cum Skill Development Programme (ESDP)	0	0	80.00	0.00
Infrastructure Development and Capacity Building	244.49	0	0	0.00
A. Micro and Small Enterprises Cluster Development Programme (MSE-CDP)	0	120.00	0	-100.00
B. Tool Rooms & Technical Institutions	0	101.00	0	-100.00
C. Promotion of MSME in NER & Sikkim	0	50.00	0	-100.00
D. Infrastructure Support to TCs/TSs/DIs and Capital Outlay on Public Works (Construction of Office Accommodation)	0	18.00	0	-100.00
Establishment of New Technology Centres	24.58	10.00	450.00	4400.00
Infrastructure Development and	144.76	0	0	0.00

Capacity Building- EAP Component				
"Technology Centre Systems Programme (TCSP) EAP"	0	124.00	350.00	182.26
Construction of Office Accommodation- Capital Outlay on Public Works	12.21	18.00	0	-100.00
Raising and Accelerating MSME Performance - RAMP	0	455.01	1170.00	157.14
Micro and Small Enterprise-Cluster Development Programme (MSE-CDP)	0	0	150.00	0.00
Tool Rooms & Technical Institutions (TR/TIs)	0	0	100.00	0.00
Promotion of MSMEs in NER and Sikkim	0	0	50.00	0.00
Database Research Evaluation and Other Office Support Programme	0.24	2.00	0	-100.00
Survey, Studies and Policy Research	1.95	1.55	0	-100.00
National Schedule Caste/Schedule Tribe Hub Centre	101.87	90.00	100.00	11.11

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	In cases of failure by MSMEs to execute contracts during the Covid period, 95 per cent of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings. This will provide relief to MSMEs.	This measure will help those MSMEs which had defaulted in meeting their contractual commitment due to COVID-19 constraints. It shows the government's positive approach towards helping the MSMEs stressed due to COVID-19.
2	The revamped credit guarantee scheme for MSMEs will take effect from 1st April 2023 through infusion of ` 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of ` 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent.	Infusion of additional Rs. 9000 cr. Into the corpus of Credit Guarantee Fund will strengthen the CGTMSE scheme and facilitate instrumental flow of credit to the extend of Rs. 2 Lakh crore to the MSME sector. This will surely give the boost to fulfilling the credit needs of MSMEs albeit partially because the total MSME credit gap in the MSME sector is much larger. Further the reduction in

		cost of credit by about 1% is a welcome step.
3	An Entity DigiLocker will be set up for use by MSMEs, large business and charitable trusts. This will be towards storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities.	This measure is important for ease of doing business for the MSMEs and other corporates. Since sharing and uploading of document repeatedly will not be required with different government authorities, banks, etc.
4	Micro enterprises with turnover up to ` 2 crore and certain professionals with turnover of up to ` 50 lakh could earlier avail the benefit of presumptive taxation. Now it is proposed to enhance the limit to ` 3 crore and ` 75 lakh respectively, to the tax payers whose cash receipts are no more than 5 per cent.	It is a move in the positive direction to facilitate ease of taxation. It will reduce the compliance and cost for large number of MSMEs and professionals.
5	In order to promote timely payments to micro and small enterprises, it is proposed to include payments made to such enterprises within the ambit of section 43B of the Act. Thus, deduction for such payments would be allowed only when actually paid. It will be allowed on accrual basis only if the payment is within the time mandated under the Micro, Small and Medium Enterprises Development Act.	This measure will greatly address the problem of delayed payment to MSEs as the buyers will be inclined to make payments of their purchases from MSEs within the prescribed timeframe. MSE's will surely welcome this announcement since it will improve their working capital resources.
6	Custom duty exemptions to be provided for the manufacturing of lithium-ion batteries and on import of certain parts like camera lens, Basic custom duty rates to be reduced from 21 to 13 except for textile, Customs duty on parts of open cells of TV panels cut to 2.5 per cent & Govt to reduce basic customs duty on seeds used in manufacturing of lab-grown diamonds	Reduction in custom duty and exemptions in items like lithium-ion batteries, camera, open cells of TV panels and on seeds used in manufacturing of lab-grown diamonds will help make in India initiative by further increasing domestic manufacturing by cheap imports of components till such time the country develops it's own capacity to produce components also.

Overall Assessment of Budget for Sector's Growth and Development

The overall budget outlay of the Ministry of MSME has increased by more than 42% when compared with the last year's budget. The outlay of various schemes has been more or less similar when compared to the last year.

There has been a significant increase in the fund allocation from 1.95 crores to 280 crores for the Scheme for Regeneration of Traditional Industries (SFURTI) and there has been an increase in the allocation of funds in ASPIRE (Promotion of Innovation, Rural Industry and Entrepreneurship) scheme by 456% this shows that the government is keen to promote traditional industries, artisans and rural industries.

It has also been observed that the government is also focusing on enhancing Credit Support Programme to support the MSMEs. The fund allocation for the same has also been increased substantially from 0.08 crores to 500.08 crore.

The Raising and Accelerating MSME Performance (RAMP) programme announced by the Honorable Finance Minister in the last budget with an outlay of Rs. 6,000 crores over 5 years were made. Under the scheme, Rs 455 crores were allocated last year and this year there is an increase of 50% as compared to last year to help MSMEs overcome the impact of Covid. This will support COVID Resilience and Recovery initiatives for MSMEs and help MSMEs become more resilient, competitive, and efficient.

Providing Technology support to MSMEs is another area of focus for the government. There has been an increase in the allocation of funds for "Technology Centre Systems Programme (TCSP) EAP". This programme helps to improve the competitiveness of Micro, Small and Medium Enterprises (MSMEs) in key manufacturing industries across India by facilitating improved access to manufacturing technology and establishing a strong focus on providing business & technical advisory services.

There has been an announcement of the new programme “Entrepreneurship cum Skill Development Programme (ESDP)” to provide basic entrepreneurship training aimed at helping entrepreneurs to put their ideas into action, bring attitudinal & behavioral change in the target group and build their entrepreneurial skills.

Overall, it has been an inclusive budget with various announcements for supporting MSMEs. Outlay to the credit guarantee scheme of 9,000 crores that will enable a further 2 lakh crore credit for MSMEs and the interest rate proposed to be brought down by 1% is again noticeable in terms of the positive impact that will bring on MSMEs. Moreover, bringing the payment to MSEs within the ambit of section 43B will surely address the payment issue of MSEs and will improve their working capital resources.

FICCI has been advocating for a need for a repository of information which will allow access to information and then subsequently help in the credit rating of MSMEs eventually providing them access to capital and ease of doing business. The announcement of the setting up of DigiLocker for use by MSMEs, large businesses and charitable trusts is a welcome step towards this direction.

Mines & Metals

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	Ministry of Steel - 40.15 Ministry of Mines - 4237.53	Ministry of Steel - 57.72 Ministry of Mines - 1689.95	Ministry of Steel - 70.15 Ministry of Mines - 1911.60	Ministry of Steel – 21.53% Increase (funds for Scheme for Promotion of Research and Development in the Sector and Flagging of Merchant Ships in India) Ministry of Mines - 13.12% Increase (increased allocation for Exploration Activities under National Mineral Exploration Trust and Establishment Expenditure of the Centre)
Outlays for key sectoral schemes	Total-Central Sector Schemes - 6.13 Scheme for Promotion of Research and Development in Iron and Steel sector – 4.81 Flagging of Merchant Ships in India - 1.32	Total-Central Sector Schemes – 16.49 Scheme for Promotion of Research and Development in Iron and Steel sector – 4.49 Flagging of Merchant Ships in India - 12.00	Total-Central Sector Schemes – 24.00 Scheme for Promotion of Research and Development in Iron and Steel sector – 10.00 Flagging of Merchant Ships in India - 14.00	Increase of 45.54% Due to higher spending, the overall budget allocation for 2023-24 has been increased by 45.54%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Nil Basic Customs Duty on raw materials for manufacturing of CRGO Steel is being continued (up to 31.03.2024)	This will facilitate availability of raw materials for the steel sector, especially in manufacturing of CRGO Steel.
2	Nil Basic Customs Duty on Ferrous waste and scrap is being continued (up to 31.03.2024)	This will facilitate enhanced availability of iron & steel scrap in the country till sufficient scrap is generated domestically.
3	The concessional BCD of 2.5% on copper scrap is also being continued	This will ensure the availability of raw materials for secondary copper producers who are mainly in the MSME sector.

4	Vehicle Scrappage Policy: Funds to be allocated towards scrapping old vehicles by the government. In addition, states to be supported for scrapping of old vehicles and ambulances.	This would help increase the sale of vehicles, in turn driving the demand for metals especially steel.

Overall Assessment of Budget for Sector's Growth and Development

The budget announcements to increase the outlay for PM Awas Yojana by 66% to over 79,000 crore will give a boost to the demand for metals & cement in the country and in turn, minerals. The announcement of identification of one hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors will significantly boost the logistics infrastructure for the minerals and metals sector. These measures are bound to provide significant push to infrastructure development, urban development & urbanization.

FICCI welcomes the increased outlay for exploration activities under National Mineral Exploration Trust which would give a major boost to mineral exploration activities in the country.

Focus on R&D in the steel sector would help in piloting & adoption of advanced technologies in steel making and would also help in transition towards manufacturing of green steel.

Online Gaming

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Amendment by addition of Provision to Section 115BB Clarification that in relation to winnings from any online game, a new provision, viz., Section 115BBJ will override the existing provision Section 115BB relating to winnings from crossword puzzles, lotteries, games etc.	Income from 'online games' will have different provisions and manner of calculating winnings than card games, lotteries, betting on race courses, crossword puzzles gambling and betting conducted offline.
2	Section 115BBJ New provision inserted to tax **'net winnings'** on online games at the rate of 30%.	Income from offline gambling, card games, lotteries etc. will be taxed on winnings while income from online games will be taxed on net winnings.
3	Amendment to Section 194B (i) For abundant clarity, additional words that provisions relating to TDS on winnings will apply to any game including **any gambling or betting of any form or nature** (ii) TDS obligations will apply on winnings exceeding Rs. 10,000/- **or aggregate of amounts exceeding Rs. 10,000/-** in a Financial Year	In relation to offline games, lotteries and gambling/betting activities, even if a single winning given by the organizer is less than Rs. 10,000/- but the aggregate winnings given to the assessee in a Financial Year exceeds Rs. 10,000/-, TDS of 30% has to be deducted.
4	Section 194BA New provision inserted relating to **'winnings from online games'** wherein any person responsible for paying winnings from any online game shall deduct tax on **net winnings** at prevailing rate computed in the manner prescribed at the end of the Financial Year.	The threshold of Rs. 10,000/- for deduction of TDS has been deleted altogether, there on any amount, TDS has to be deducted by online gaming websites at prevailing rates (currently 30%) either at the time of withdrawal or end of the Financial Year.

Overall Assessment of Budget for Sector's Growth and Development

Different manner of taxation and TDS collection for online and offline gaming created for the first time. There is no threshold for deducting TDS on net winnings in online games as opposed to the threshold of Rs. 10,000/- presently prevailing. Therefore, any net winnings from online gaming howsoever small will also be subject to 30% TDS deduction. This may increase compliance burden and filing of TDS returns for even smaller transactions.

For online gaming, taxation is on **net winnings** only. The manner of calculation of 'net winnings' has however not been clarified in the Finance Bill, 2023 but the Bill has empowered the government and Central Board of Direct Taxes (CBDT) to issue rules and guidelines detailing the manner of computing **'net winnings'** in online games. More clarity in Rules/Guidelines to be issued by the CBDT and Central Government to understand the manner of computing 'net winnings' and whether all losses/entry fees

paid during a Financial Year can be setoff. It will also be important to note if losses/entry fees on other websites or any other expenses incurred by the players can be setoff against winnings on a particular online gaming platform.

Pharma and Lifesciences

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Overall, for the Sector / Ministry - **Dept of Pharmaceuticals**	774.83	2268.54	3160	**39.30 %**
Outlays for key sectoral schemes				
National Institutes of Pharmaceutical Education and Research (NIPERs)	350	377	550	**45.88%**
Jan Aushadhi Scheme	68	100	115	**15%**
Total- Development of Pharmaceutical Industry		36	1250	**3372%**
• Pharmaceutical Promotion & Development Scheme (PPDS)	-	3	4	**33%**
• Assistance to Pharmaceutical Industry for Common Facilities (API-CF)/Cluster Development	-	32	51	**59.37%**
• Pharmaceuticals Technology Upgradation Assistance Scheme (PTUAS)	-	1	95	**9400%**
• Promotion of Bulk Drug Parks	-	-	900	**-**
• Promotion of Medical Device Parks	-	-	200	**-**
Production Linked Incentive Schemes				
• Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of Critical Key Starting Materials(KSMs)/Drug Intermediates(DIs) and Active Pharmaceutical Ingredients(APIs) in India	-	14.61	100	**584.46%**
• Production Linked Incentive Scheme for Pharmaceuticals		694.20	1000	**44 %**

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A new programme to promote research and innovation in pharmaceuticals will be taken up through centres of excellence. We shall also encourage industry to invest in research and development in specific priority areas.	• It is a very welcome move. The R&D program will be through Excellence Centres Via collaboration among academia, industry, and public institutions. It appears some Government Contribution will also be provided – Details Awaited. This will be a great opportunity for the Indian Pharma Sector and will encourage state of the art facilities in India. • For India to meet national and global demand for advanced therapeutics and to advance India's share and value in global pharma trade; the pharma industry has been urging the centre to prioritise schemes to boost R&D in select drug segments. While the details and allocations are awaited, we sincerely and greatly welcome the announcement made by our Hon. Finance Minister on pharma innovation via a new programme to promote research and innovation in pharmaceuticals through COEs. The encouragement offered to the industry to invest in R&D in specific priority sectors is also very welcome and the industry awaits the details of such incentives to be further announced. • The Budget's focus on R&D and innovation will lay a strong foundation for a discovery-oriented and science-driven approach to address national and global demand for advanced therapeutics such as biologics, biosimilars, precision medicine, cell and gene therapy, mRNA vaccines, genomics, orphan drugs, complex generics, antimicrobials etc. • It is an Important step to go up the value chain globally. Additionally, Government should start thinking about **Research Linked Incentive Scheme (RLI)** the way they bought out **Production Linked Incentive Scheme (PLI).** This will further boost the industry to get in the core Research activities.
2	ICMR labs will be made available for cutting edge collaboration with private sector	• This will again encourage Government collaboration with the Private Sector to uncover innovation and cutting-edge technology. It might also help in cutting the cost for the research and sourcing innovation technology as the infra is now being provided by the Government. Imperative to note that R&D in pharma has now become a priority and Government is encouraging domestic R&D infrastructure. • This will also pave the way for Leading industry players partnering in conducting inter-disciplinary research, develop cutting-edge applications and

		scalable problem solutions in the healthcare sector. • The opening of select ICMR (Indian Council of Medical Research) for research with public and private medical faculties is also a welcome step to enhance industry-academia linkages. • It can help young scientists use this infrastructure for innovation without spending out of pocket.
3	157 new nursing colleges in co-location with medical colleges established since 2014	• It will facilitate the availability of high-end human resources for healthcare sector, which is imperative for the growth of this sector. • Capacity building at para medical level is necessary and a very good step.
4	Dedicated courses for skilling in medical devices for futuristic medical technologies, high end manufacturing	• This is to ensure availability of skilled manpower for futuristic medical technologies, high-end manufacturing, and research. Would lead to specialized workforce to manufacture medical devices in India and reduce import dependency and aligned to the Atmanirbar theme
5	3 Centres of Excellence for Artificial Intelligence to be set up in top educational institutions for realising the vision of Make AI in India and Make AI work for India	Important as AI in Healthcare is a new frontier and will help India manage healthcare capacity for future and foster innovation.
6	Relief for MSME's hit during Covid	Major relief to MSME as it would boost fund flow to the distressed and fund starved sector
7	Unified filing process on a common / single window portal will be setup. A voluntary settlement scheme with government to enhance dispute resolution at a faster pace will be launched	This would promote Ease of Doing Business and ensure speedier resolution to disputes
8	Compliance reduction and de criminalization at core of the Jan Vishwas Bill to unleash and galvanize economic growth	Compliance reduction and Ease of Doing Business via reduction of more than 39,000 compliances and the de-criminalization of 3,400 legal provisions is a welcome step
9	Pradhan Mantri Kaushal vikas yojana 4. 0 will focus on new age courses like AI, Robotics, Mechtronics etc- Setting of 30 Skill India International Centres	Excellent initiative considering the proliferation of new age technologies in administration of healthcare services to patients, Manufacturing operations etc
10	Indirect tax aim to promote exports, domestic manufacturing, green mobility, Simplified tax structure aimed to ease conditions.	• Reducing the number of customs duty slabs aids in simplification and reduced classification disputes. • Customs duty rate benefit/ exemption to be continued toll 31/3/2025 for following products: ○ Specified Drugs, medicines, diagnostics kits or equipment, bulk drugs used in manufacture of drugs or medicines.

		Lifesaving drugs/ medicines and diagnostic test kits, bulk drugs used in manufacture of life-saving drugs or medicines.

Overall Assessment of Budget for Sector's Growth and Development

In essence Finance Minister has stuck to the broader growth strategy that is a part of the New India plan over the last 3-4 years. The Union Budget has continued the past year's theme and has provided a blueprint to steer the economy over the 'Amrit Kaal' of 25 years. The focus of the Union Budget is undoubtedly on creating a technology and knowledge driven economy that will lead India towards Amrit Kaal. For successful India @100, the FM emphasized that the Government would focus on-

- Facilitating ample opportunities for citizen, especially youth
- Strong impetus to growth and job creation
- Macroeconomic stability

It is commendable that the budget has laid integrated focus on good governance and capacity enhancement too via;

- **Infrastructure investments** to boost productive capacity to augment growth and employment.
- **Logistics** via the announcement of 100 critical transport infrastructure projects, for last and first mile connectivity with government investment of 75,000 crore.
- **Compliance reduction and Ease of Doing Business via** reduction of more than 39,000 compliances and the de-criminalization of 3,400 legal provisions.
- A focus on **trust-based governance** via the **Jan Vishwas Bill** and the amendment of 42 Central Acts – which will reduce cumbersomeness and unleash growth many-fold.
- **Vivad se Vishwas II – via Settling Contractual Disputes** through a voluntary settlement scheme.

We welcome a very well thought out budget that builds on the foundational stones laid last year drawing out a comprehensive and stable blueprint for India@100 – our *Amrit Kaal*. This budget touches all critical aspects for establishing a conducive business environment, marked by macro-economic stability and sets trajectory (despite global economic headwinds) for accelerating India's role in global value chains, generating employment and inclusive growth.

The pharma Industry welcomes this budget and waits further details. As an industry we are geared & determined to contribute to the vision of an **Aatmanirbhar Bharat**. India is already the established pharmacy of the world! The budget announcement made today on pharma R&D and innovation coupled with necessary incentives and policies will fully gear us to **become the R&D, bio-innovation and bio-manufacturing hub of the world.** India has the infrastructure, the workforce, the scientific R&D and manufacturing power to deliver to this universal health access mandate. This budget announcement on Pharmaceutical R&D comes at a time when India has played a pivotal role in supporting the world combat the Covid 19 crisis- developing a vaccine from lab to market in less than a year and as part of **Vasudeva Kutambakam**, stood shoulder to shoulder and supplied vaccines, medicines, equipment to many countries in need. It also comes at a time when India boasts of

unmatched digital infra and last mile connectivity and will additional budgetary focus on further building capacity in Artificial intelligence, ML and IoT.

We thank the Hon Prime Minister and the Hon. Finance Minister for supporting the pharma sector help meet the future pharmaceutical needs of the nation and the globe and steer a patient centric agenda to address global health and economic challenges.

Power & Coal

Budget Outlay for Power Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	21594.93	13106.58	20671.32	57.72%
Outlays for key sectoral schemes				
Conservation and Energy Efficiency	40.00	30.00	30.9	3.00%
Strengthening of Power Systems	3295.41	2743.16	2902.62	5.81%
Power System Development Fund	771.71	800.00	1000.00	25.00%
Reform Linked Distribution Scheme	814.00	6000.00	12071.60	101.19%

Budget Outlay for Coal Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	573.68	117.88	192.32	63.15%
Outlays for key sectoral schemes				
Conservation, Safety and Infrastructure Development in Coal Mines	62.68	54.54	92.50	69.6%
Labour, Employment and Skill Development	29.61	0.57	10.64	1766.66%
Research and Development	8.35	8.35	21.00	151.49%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Capital investment outlay of Rs 10 lakh crores in FY 2023- 24	Capital investment outlay is being increased steeply by 33% to Rs 10 lakh crore. This will be 3.3% of GDP. Will be almost three times the outlay made in 2019. This will increase economic activity multifold and will increase demand for power in the country. The power sector will have to increase its supply and power capacity addition will have to be planned accordingly
2	Capital investment of Rs 35,000 crore for energy transition	As the country heads for its net zero 'Panchamrit' goal by 2070, the infusion of capital investment of Rs 35,000 crores will support the progressive reforms and

		initiatives in the power sector
3	The Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh will be constructed with investment of Rs 20,700 crore	Evacuation of power will be supported, and the power grid will become more stable with less congestion
4	Credit Guarantee for MSME with infusion of Rs 9,000 crore in the corpus	Increased fund flow to the MSME sector would also be directed towards power and energy efficiency programs.

Overall Assessment of Budget for Sector's Growth and Development

Power

1. The announcements made during the Budget 2023-24 are progressive in nature and will help transform the power sector, bring in efficiency and provide energy access to all.

2. The budget outlay of ₹ 12,071 Crores for Reform Linked Distribution Scheme will help to improve the financial viability of the power sector, lead to reduction in Aggregate Technical and Commercial Losses (AT&C) through efficiency measures and smart meters, will modernize and strengthen the power supply infrastructure and improve the quality, reliability, and affordability of power supply to consumers.

3. Further, the budget outlay of Rs 1000 Crores for Power system development fund will create necessary new transmission systems for de-congesting the Inter-State Transmission Systems (ISTS) and Intra-State System as well as Renovation and Modernization (R&M) of already available transmission systems.

4. The Government's announcement of investing Rs 20,700 crores for grid integration of 13 GW renewable energy from Ladakh is another positive step to strengthen the power grid.

5. The announcement of infusing Rs 10 lakh crore in capital expenditure will create power demand and the capital investment of Rs 35,000 crores in energy transition will help bring the power reforms envisioned for the sector.

Coal

1. Ministry of Coal has allocated Rs 92.50 crores for conservation, safety and infrastructural development in coal mines through which coal companies are given financial assistance for activities including: (i) conservation, (ii) environment management, (iii) safety, (iv) research, and (v) development of road and rail linkages for coal mines, which will help improve the overall ecosystem of the sector and help to decarbonize the operations.

2. Further, a budget outlay of Rs 10.64 crores for Labour, Employment and Skill Development will help develop skilled manpower for this sector too, increase employment and bring in efficiency within the system.

Publishing

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (FY24 over FY23)
Department of Higher Education				
National Mission in Education Through ICT	85.51	400.00	400.00	0%
Ministry of Culture				
Libraries & Archives	95.51	124.65	338.75	171.76%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**(33)** A National Digital Library for children and adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility.	This will provide opportunities for industry to develop and produce content across genres, different languages.
2	**(34)** To build a culture of reading, and to make up for pandemic-time learning loss, the National Book Trust, Children's Book Trust, and other sources will be encouraged to provide and replenish noncurricular titles in regional languages and English to these physical libraries.	This will promote overall reading culture thus providing more opportunities for publishers in developing content for leisure reading in regional languages and English.
3	**(27)** One hundred and fifty-seven new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014	This will further increase the demand for medical books and study material, enjoining. STM publishers to cater to this demand through increased production
4	**(32)** Teachers' training will be re-envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and ICT implementation. The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.	Many publishers are already engaged in teachers' training. This initiative will provide more opportunities for them to create content for training.
5	**(90)** Pradhan Mantri Kaushal Vikas Yojana 4.0 will be launched to skill lakhs of youth within the next three years. On-job training, industry partnership, and alignment of courses with needs of industry will be emphasized. The scheme will also cover new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills. To skill youth for international opportunities, 30 Skill India International Centres will be set up across different States.	This will be an opportunity for publishers to create content on new age skill courses.

Overall Assessment of Budget for Sector's Growth and Development

Business opportunities for Industry in FY 2023-24 in Publishing sector are as follows:

1. The budget has presented new opportunities for the publishing industry as the demand for creating new content is likely to increase for both physical books and digital medium.
2. Publishers have increased opportunities for producing relevant content in STM publishing, coding, AI, 3D Printing etc.
3. As the focus is also on content in regional languages, new opportunities would not be limited to English language only.
4. Setting up of a National Digital Library would help in establishing reading culture in the country hence providing publishers an opportunity to develop digital content too.

Real Estate & Urban Infrastructure

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	106840.46	74545.64	76431.60	2.52 %
Outlays for key sectoral schemes				
MRTS and Metro Projects	23473.33	20401.08	23175.01	13.59 %
Urban Rejuvenation Mission - 500 Cities	7280.38	6500.00	8000.00	23.07 %
Urban Rejuvenation Mission: AMRUT and Smart Cities Mission	13868.02	15300	16000	4.58%
Swachh Bharat Mission (SBM) - Urban	1951.66	2000.00	5000.00	150 %

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**PM Awas Yojana (PMAY):** The outlay enhanced by 66% to over Rs 79,000 crore	Government continues its thrust on affordable housing through increased allocation. This will boost real estate construction while achieving the target of Housing for All.
2	**Sustainable Cities of Tomorrow:** States and cities will be encouraged to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow'. This means efficient use of land resources, adequate resources for urban infrastructure, transit-oriented development, enhanced availability and affordability of urban land, and opportunities for all.	This is a visionary step that has a potential to transform the urban planning practices for a more efficient land use.
3	**Making Cities ready for Municipal Bonds:** Through property tax governance reforms and ring-fencing user charges on urban infrastructure, cities will be incentivized to improve their credit worthiness for municipal bonds.	• Unlocking of funds through Municipal Bonds could be further used to finance projects such as building bridges, schools and hospitals. • Such bond issuances will increase private sector participation in creation of physical infrastructure and socio-economic development of cities.

4	**Urban Infrastructure Development Fund:** Like the RIDF, an Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall. This will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF. Government is expected to make available Rs 10,000 crore per annum for this purpose.	• UIDF will spur growth in tier II and tier III cities and translate into increased demand for various property types. • The fund aims at sustainable cities, which will lead to more green construction, reduction in carbon footprint and improved quality of life. • This will also enhance the pace and coverage of Mass Rapid Transit Systems and Regional Rapid Transit Systems in the Tier II & III Cities.
5	**Urban Sanitation:** All cities and towns will be enabled for 100 per cent mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode. Enhanced focus will be provided for scientific management of dry and wet waste.	This is a welcome step and will help managing the large quantities of waste generated in our growing cities. This also caters to dignity and respect for sanitation workers.
6	**Household Toilets under Swachh Bharat Mission**: The outlay of 11.7 crore household toilets under Swachh Bharat Mission	• Construction of 11.7 crore household toilets will ensure inclusive development and dignity amongst economically backward section of the society. • In the era of communicable disease that the world is facing, this will also curtail the spread of infectious disease and improve overall health security. • FM increased the outlay under Swachh Bharat Mission to INR 5000 Cr which is a welcome move. This will give necessary boost to the existing and upcoming public conveniences under the mission.

Overall Assessment of Budget for Sector's Growth and Development

Allocation of INR 10 lakh crore for infrastructure, a hike of 33% will lead to accelerated growth across infrastructure sectors especially real estate sector. State governments also stand to gain with the allocation of 50-year interest free loans, now enhanced to INR 1.3 lakh crore for infrastructure development. A focus on affordable housing and increase outlay, under PMAY, will ensure accessibility for the poor and will further add to inclusive development achievements.

Further, establishment of Urban Infrastructure Development Fund (UIDF) to urbanise Tier 2 and 3 cities to be managed by National Housing Bank are welcome initiatives towards sustainable cities.

Renewable Energy

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Ministry of New & Renewable Energy	6582.95	7033	10222	45.34%
Outlays for key sectoral schemes				
National Hydrogen Mission		0.01	297	
Central Solar Energy Schemes	284.65	185.95	361.50	94.41%
Central Scheme- Programme for Wind and other Renewable Energy	28.01	21	31	47.62%
KUSUM	406.04	1325	1996.46	50.68%
Green Energy Corridor	134.67	250	500	100.00%
Central Scheme- Bio Energy Programme	-	-	381.85	

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Rs 35,000 crore for priority capital investments towards energy transition and net zero objectives, and energy security	Big boost to India's climate commitments and net zero targets.
2	Battery Energy Storage Systems with capacity of 4,000 MWH will be supported with Viability Gap Funding. A detailed framework for Pumped Storage Projects will also be formulated.	Will help achieve India's renewable energy targets by mitigating the intermittent nature of renewable energy sources.
3	The Inter-state transmission system for evacuation and grid integration of 13 GW renewable energy from Ladakh will be constructed with investment of 20,700 crore including central support of ` 8,300 crore	This will give a push to India's Renewable energy targets, utilize the renewable energy potential of Ladakh and help supply electricity to the country.
4	Nil custom duty for Specific capital goods/machinery for manufacture of Lithium ion cell for use in battery of electrically operated vehicle (EVs)	This will help reduce the production cost of Electric Vehicles, encouraging more wide-scale adoption
5	500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of ` 10,000 crore	Big push to circular economy and bioenergy sector

6	National Green Hydrogen Mission with an outlay of Rs 19,700 crores and to achieve 5 mmtpa of production by 2030	This will help in reducing the carbon intensity of the economy and increase the technology adoption and contribute to energy security over the long run
7	A Green Credit Programme will be notified under the Environment (Protection) Act	This will incentivize environmentally sustainable and responsive actions by companies, individuals & local bodies and help mobilize additional resources for such activities.
8	5% compressed biogas (CBG) mandate will be introduced by Government for entities marketing natural gas in India. For collection of bio-mass and distribution of bio-manure, appropriate fiscal support will be provided.	Companies marketing natural gas in India will have to market compressed biogas, or Compressed Bio Gas (CBG), to the extent of 5% of their volumes. Government has been pushing for increased production of CBG and its blending with natural gas. This will help promote the bio-energy ecosystem in the country.

Overall Assessment of Budget for Sector's Growth and Development

Green Growth" has been specified as one of the seven priorities of this year's Budget and accordingly there has been a significant increase in the capital outlay for the various schemes and missions. The National Hydrogen Energy Mission launched before the budget is all set to give a boost to the sunrise sector in the country.

School Education

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	**46821.51**	**59052.78**	**68804.3**	**16.51**
Outlays for key sectoral schemes				
Pradhan Mantri Innovative Learning Programme (DHRUV)		0.01	0.01	0.00
Kendriya Vidyalaya Sangathan (KVS)	6800	7512	8363.98	11.34
Navodaya Vidyalaya Samiti (NVS)	3740	4920.3	5486.5	11.51
National Council of Educational Research and Training (NCERT)	319.74	405	518.5	28.02
Central Tibetan School Administration (CTSA)	52.94			NA
National Bal Bhawan	20.04	22	22.38	1.73
Transfer to Madhyamik and Uchhatar Shiksha Kosh		10100	6000	-40.59
Amount met from Madhyamik and Uchhatar Shiksha Kosh		10100	6000	-40.59
National Education Mission (Samagra Shiksha)	25060.89	32151.66	37453.47	16.49
Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)		12800	11600	-9.38
Strengthening Teaching-Learning and Results for States (STARS)	313.44	400	800	100.00
National Programme of Mid-Day Meal in Schools	10230.98			NA
PM Schools for Rising India (PM SHRI)			4000	New Program/ Scheme
Teachers Training and Adult Education	2.1	100		Renamed as NILP scheme
New India Literacy Programme (NILP)			157	New Program/ Scheme
Transfer to Prarambhik Shiksha Kosh (PSK)	31788.25	38000	30000	-21.05
Amount met from Prarambhik Shiksha Kosh (PSK)	31788.25	38000	30000	-21.05

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	Teachers' training will be re-envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and ICT implementation. The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.	• Applaudable move towards restoring glory, pride and respect for the teaching profession. • Prepare enthusiastic and confident teachers committed to becoming reflective practitioners and lifelong learners, proficient in the content and practice of their respective Discipline. • Would reduce teacher isolation experienced by teachers working in smaller schools and create vibrant teacher communities that work collaboratively sharing their best teaching practices.
2	A National Digital Library for children and adolescents will be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility. States will be encouraged to set up physical libraries for them at panchayat and ward levels and provide infrastructure for accessing the National Digital Library resources. Additionally, to build a culture of reading, and to make up for pandemic-time learning loss, the National Book Trust, Children's Book Trust and other sources will be encouraged to provide and replenish non-curricular titles in regional languages and English to these physical libraries. Collaboration with NGOs that work in literacy will also be a part of this initiative. To inculcate financial literacy, financial sector regulators and organizations will be encouraged to provide age-appropriate reading material to these libraries.	• Build resilient mechanism for education delivery in an era of hybrid learning. • Will make digital learning resources ubiquitous and in the process also personalize and democratize education. • Content in regional languages will result in better learning outcomes in students. • Build teachers' capacity and competency to create new innovative learning experiences for students using digital tools. • Create the much-needed synergy and collaboration between Government and Private sectors for effective implementation
3	In the next three years, centre will recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students.	• A step forward towards helping 'teaching' emerge as an attractive profession of choice for bright and talented young minds. • Facilitate and motivate mid-career switch for professionals to take up teaching.

4	Building on the success of the Aspirational Districts Programme, the Government has recently launched the Aspirational Blocks Programme covering 500 blocks for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.	This is a great move forward that goes in line with NEP's 2020 focus of enriching the ECCE school framework in the country.

Overall Assessment of Budget for Sector's Growth and Development

Union Budget 2023 looks at empowering, increasing access, and making education equitable for both teachers and students. Teacher training through the lens of innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and ICT implementation will build capacities and capabilities within teachers. This fulfills both the necessary condition of 21st-century readiness and the sufficient condition of a ripple effect of capable teachers imparting quality education.

PM Schools for Rising India (PM SHRI) schemes is highly laudable move by the government that will set benchmarks for providing high quality education in an equitable, inclusive and innovative school environment in the country.

Transformation of the District Institutes of Education and Training (DIET) into vibrant institutes of the center of excellence and the setting up of a National Digital Library for children and adolescents carves out a path for improving learning outcomes, encapsulating accessible and equitable education under the ambit of SDG 4 and National Education Policy 2020.

Skill Development

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change
Overall, for the Sector / Ministry	2121.14	1901.71	3517.31	84.96
Central Sector Schemes/Projects				
Skill India Programme ***A. Pradhan Mantri Kaushal Vikas Yojana 4.0 (PMKVY 4.0)*** - Development of Skills - Development of Entrepreneurship - Strengthening of Infrastructure for Institutional Training - Strengthening of Skill Institutions - Support to Regulatory Institutions - Skill Acquisition and Knowledge Awareness for Livelihood Promotion - Skill Strengthening for Industrial Value Enhancements ***B. Pradhan Mantri -National Apprenticeship Promotion Scheme (PM-NAPS)*** - Promotion of PM-NAPS **C. *Jan Shikshan Sansthan***	1844.36	1611.6	2278.37	41.37
Strengthening of Infrastructure for Institutional Training	147.47	93.76	106.38	13.46
Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) - EAP	132.73	207.68	488.08	135.01
Skill Strengthening for Industrial Value Enhancements (STRIVE) - EAP	107.71	113.34	300.00	164.69

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**PM VIshwakarma Kaushal Samman (PM VIKAS)**	• The new scheme is a welcome move which will enable traditional artisans and craftspeople to improve the quality, scale and reach of their products, integrating them with the MSME value chain. This will greatly benefit

		the weaker sections while supporting the true spirit of Atmanirbhar Bharat. • FICCI has been working in this space for few years through initiative of 'VIRASAT: The Heritage'
2	**157 new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014**	The co locating of nursing and medical colleges will exemplify the importance of learning while doing and encourage learners to aspire for being apprentices. This would be very effective in strengthening the healthcare services in the country.
3	**The District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.**	The District Institutes of Education & Training would act as hubs for capacity building of not just the teachers but also of the trainers and instructors of vocational education programmes. The physical infrastructure can be optimally utilised by collaborating with all stakeholders.
4	**National Digital library for adolescents and adults**	The Digital Library is a reform in bringing learning at the doorstep for Neither in Employment, Education & Training (NEET) population. The library can be a gateway of opportunities to self-learn, upskill and re skill one selves**.**
5	**Three centres of excellence (CoEs) for Artificial Intelligence will be set-up in top educational institutions**	AI certainly constitutes one of the most critical emerging technology skills of 21st century. "Make AI in India and Make AI work for India", will be a great promise to our youth that the future skills are digital, and they should focus on acquiring these skills.
6	**PMKVY – 4.0 to be launched to skill Youth in the next 3 years.**	The national skilling scheme has been a transforming milestone for building the capacity & making our learners future ready. The scheme will also cover new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills. The training providers can now gear up for developing industry led skilling programmes for these job roles.
7	**30 Skill India International Centres across different states**	The announcement will encourage learners to gain internationally acceptable skills and make them at par with global standards of assessment and certification.
8	**Digital Ecosystem for Skilling**	The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes.
9	**Stipend through Direct Benefit Transfer (DBT) to 47 lakh apprentices under NAPS for next 3 year**	Stipend through DBT ensures transparency and encourage youth to take up apprenticeship training as a unique way of learning while earning.
10	**Sector specific skilling and entrepreneurship development in Tourism Sector**	Integration of skilling and entrepreneurship development program aligned with the theme 'Dekho Apna Desh' would open new career avenues for the youth in the sector along with boosting the sector economy. The announcement shall give a much-needed boost to the sector enthusiasts and encourage them to explore learning & development programmes in the sector.
11	**Mission Karmayogi**	Under the mission, Centre, States and Union Territories are making and implementing capacity-building plans for civil

		servants. The government has also launched an integrated online training platform, iGOT Karmayogi, to provide continuous learning opportunities for lakhs of government employees to upgrade their skills and facilitate people-centric approach.

Overall Assessment of Budget for Sector's Growth and Development

With an overall outlay of INR 3517 crores to Ministry of Skill Development and Entrepreneurship (MSDE) , the Union Budget 2023-24 BE has seen a steep rise of 84 % compared with RE of 2022-23. This is a good move forward that certainly sends a strong and a positive signal to stakeholders wit respect to the skilling ecosystem in the country.

To empower our youth and help the 'Amrit Peedhi' realize their dreams, the National Education Policy is the key in providing solutions for an educated, skilled and employable workforce. The budget announcements have a very strong focus on skilling, adopting economic policies that facilitate job creation at scale, and supporting small and medium businesses.

Sports

Budget Outlay for Sector (Rupees Crore)

	2022-23 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry - **Ministry of Youth Affairs & Sports**	2250.19	2673.35	3397.32	27.08%
Outlays for key sectoral schemes				
Khelo India	764.28	600.00	1000.00	66.67%
National Sports Development Fund	5.00	16.00	15.00	-6.25%
Assistance to National Sports Federations	112.07	280.00	325.00	16.07%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**27% hike, highest-ever sports budget**	With the Asian Games and Commonwealth Games set to be held in the current year, the increase in the allocation of funds in the sports budget to meet the demands of the two mega-events meets expectations.
2	**67% increase in Khelo India**	Increase in budget comes with a major boost to the Khelo India Scheme, which will further assist in developing sports at grass root level in India.
3	**16% increased aid to NSFs**	Increased assistance to National Sports Federations will ensure increased cooperation between Department of Sports and Sports Federations and help in providing world class facilities to sportspersons. This will further assist the preparations of Indian athletes for upcoming Commonwealth and Asian Games
4	**New element – Sports Science & Research**	With a focus on sport science & research, the athletes will now have access to techniques to help maximise performance and endurance in preparation for events and competitions while lessening the risk of injury. The centre could be used to help identify strengths & weaknesses so that a training program can be individualised for every elite athlete
5	**22% increased allocation to North-Eastern States**	The NE landmass - that comprises about 8 per cent of India and 3.8 per cent of population - has produced some of the finest sportspersons who keep India's medals tally high in prestigious tournaments like Olympics and Commonwealth

		Games. With an increased budget, the Govt would be aiming at enhanced regular sports training in increased sports disciplines on residential and non-residential basis in SAI sports centres

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget of 2023-24 has allocated Rs 3397.32 crore to the Ministry of Youth Affairs and Sports, a hike of 27 percent (723.97 Cr) as compared to the revised estimate of 2022-2023. With the 19th edition of Asian Games and 7th edition of Commonwealth Games set to be held in the current year, the budget meets expectations regarding the increase in allocation of funds and would help meet the demands of the two mega-events in the sports budget.

The increase in budget provides a major boost to Khelo India Scheme, which is a flagship scheme to develop sports at grass root level in India.

Other interesting developments that seem encouraging are the inclusion of National Centre of Sports Science & Research and increased allocation for North-Eastern Areas. With a focus on sport science & research, our athletes will now have access to new techniques which would assist them in maximizing their performance and endurance in preparation for events and competitions while lessening the risk of injury; and with an increased allocation for North-Eastern Areas, India can look forward to more champions at prestigious international tournaments.

To conclude, the sports budget is set to fulfil the aspirations of our athletes and hopes of NewIndia@100.

Space

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	12473.84	10530.04	12543.91	19.12%
Space Technology	8873.63	7926.80	9440.66	19.09%
Space Application	1203.62	1283.23	1558.95	21.48%
Space Sciences	190.36	117.00	138.80	18.63%
INSAT Satellite Systems	344.97	452.10	531.00	17.47%
Space Research	5525.86	5862.89	6033.10	2.90%
Capital Outlay on Space Research	6901.86	4553.15	6356.81	39.61%

Overall Assessment of Budget for Sector's Growth and Development

The government has increased the Capital Budget Allocation in the space sector by 19.12 % for the year 2023-24 . The increased allocation towards space technology, space application and space research is indicative of the growing interest of the government to harness the huge untapped potential that exists in the space domain in the country.

Textiles

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	11059.81	3579.61	4389.34	22.62%
Amended Technology Upgradation Fund Scheme (ATUFS)	625.31	650.00	900.00	38.46%
National Handloom Development Programme	187.28	156.00	200.00	28.21%
National Handicrafts Development Programme (NHDP)	--	191.11	238.33	24.71%
Integrated Scheme for Skill Development	59.76	25.00	115.00	360%
National Technical Textiles Mission	--	37.00	450.00	1116.22%
Textile Cluster Development Scheme	--	88.00	141.54	60.84%
Central Silk Board	854.08	875.00	917.77	4.89

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	A major increase is seen in allocation of various schemes of textiles Ministry. For technical textiles mission, the increase is to the tune of over 1000%.	This move will further promote technical textiles sector in the country with focus on research and technology.
1	Enhancing productivity of cotton crop -To enhance the productivity of extra-long staple cotton (ELS), government will adopt a cluster-based and value chain approach through Public Private Partnerships.	This will mean collaboration between farmers, state and industry for input supplies, extension services and market linkages. It will help the textiles industry.
2	**Amendments in the First Schedule to the Customs Tariff Act, 1975** The First Schedule to the Customs Tariff Act, 1975 is being amended to increase the rates on certain tariff items with effect from 02.02.2023 and also modify the rates on certain other tariff items as part of rate	These measures will help in calibrated policy support for ELS cotton and also help in trade facilitation by better identification of the cotton.

	rationalisation with effect from date of assent. New tariff lines are also proposed to be created, which will help in better identification of Cotton.	
3	Green Growth- Towards India's commitments for net-zero carbon emission by 2070, green farming and green technologies will be taken up which will have significance for the cotton textile sector.	Through the Green Credit Programme, textile sector looks forward to policy support for aligning their technologies to the upcoming international environmental legislations as also improve domestic benchmarks.
4	Credit Guarantee for MSMEs- Last year, Government proposed revamping of the credit guarantee scheme for MSMEs. The revamped scheme will take effect from 1st April 2023 through infusion of Rs 9,000 crore in the corpus. This will enable additional collateral-free guaranteed credit of Rs 2 lakh crore. Further, the cost of the credit will be reduced by about 1%.	This measure will benefit MSMEs in the textiles sector.
5	Vivad se Vishwas I – In cases of failure by MSMEs to execute contracts during the Covid period, 95% of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.	This will provide relief to MSMEs in textiles.

Overall Assessment of Budget for Sector's Growth and Development

One of the priorities of the budget as mentioned by Hon'ble Finance Minister is Inclusive Development which includes empowerment and development of particularly vulnerable tribal groups in the society. To this end, the budget puts a lot of focus on development and revival of handlooms and handicrafts in the country. To achieve this, budget allocation for National Handloom & Handicrafts Development programs has been substantially increased. There is also an emphasis on scaling-up of Research & Development infrastructure under the National Technical Textiles Mission (NTTM). Under NTTM various initiatives and schemes have been launched like:

1. Grant for Internship Support in Technical Textiles (GIST)
2. Grant for Research & Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT)
3. Enabling of Academic Institutes in Technical Textiles

Apart from the above, allocation to PLI scheme, Textile Parks and skill development would help the sector to grow and also achieve higher share in global market. With the NTTM, the sector is witnessing a lot of traction and combined with the PLI scheme, the sector is poised to grow in years to come.

Transport Infrastructure & Logistics

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% Change (BE FY24 over RE FY23)
Ministry of Railways	135242.14	162311.90	241267.51	48.64%
Outlays for key sectoral schemes				
Rolling Stocks	13492.54	15157.86	37581.00	147.93%
Electrification Projects	0.37	214.22	8070.00	3667.15%
Signalling and Telecom	2145.07	2428.37	4198.22	72.88%
New lines	20783.90	24914.07	31850.00	27.83%
Ministry of Roads Transport and Highways	123550.60	217026.62	270434.71	24.61%
Outlays for key sectoral schemes				
National Highways Authority of India	57080.64	141605.62	162207.00	14.54%
Roads and Bridges	66236.98	74984.27	107713.38	43.64%
Road Transport and Safety	163.41	273.50	330.00	20.65%
Ministry of Shipping	1527.55	1793.37	2218.74	23.71%
Outlays for key sectoral schemes				
Development of Ports	1.00	1.00	1.03	3%
Sagarmala	455.5	512.79	450.00	-12.24%
Shipping and Ship Building	104.91	104.00	112.00	7.69%
Inland Water Transport	80.64	10.00	15.00	50%

Key Budget Announcements and Implications

Budget Announcement	Likely Implication
Transport Infrastructure	
Capital investment increased steeply by 33% to ₹10 lakh crore	• ₹10 lakh crore investment will translate to 3.3% of GDP – up from ₹7.5 lakh crore in 2022-23. • The Budget has doubled down on the government's strategy to drive investment activity in the economy. • Investments at this scale in infrastructure development are likely to have a multiplier effect on growth and employment generation.
50-year interest-free loan for states for more year with an outlay of ₹1.3 lakh crore	• Considering that states account for sizeable public investments, this is an encouraging sign for investment activity and accelerating infrastructure development in the States. • The States will, however, need to ramp up their spending which, so far, has been rather subdued despite the enhanced fiscal space available to them. • The 'Special Assistance to States for Capital Investment' scheme also includes ₹5,000 crore interest-free loans, which would be provided to incentivise states to undertake privatisation or disinvestment of state public sector enterprises and asset monetisation.
Push for 100 identified critical transport infra projects	• This will provide a substantial boost to all transport infrastructure sector projects including railways, roads & highways, aviation, especially in terms of innovation and employment. • This highlights the importance of investment in high-quality infrastructure for accelerating economic growth and sustaining it in the long run.
Railways	
Highest ever Railway outlay at ₹2.4 lakh crore (9 times the outlay of FY2013-14)	• It shows an increased focus on expansion and modernisation of Railways. • The capital outlay of ₹2.40 lakh crore will significantly transform the railway sector. • The enhanced outlay will provide funding for projects to modernise rail infrastructure (including laying of new lines, gauge conversion, electrification, signalling, etc). This will improve station infrastructure, increase rail connectivity and investment in modern rolling stock and technology.

Focus on freight with an investment of ₹75,000 crore under the National Rail Plan (NRP)	• This is a welcome move to expand modal share in freight from 27% to 45% in 10 years, while reducing transportation costs by up to 30% and transit time by nearly half, as outlined in the NRP. • This will enable improvement of cost-competitivity and on-time delivery of bulk transportation of goods and services. • Additionally, this will aid in completion of projects that have been held up due to various reasons.
More private investment in Railways in 2023	• With more private participation, there can be a significant improvement in connectivity to remote areas, new and last-mile connectivity and an increase in semi-high speed railway lines.
Roads And Highways	
Funds allocated to support replacing and scrapping of old, polluting vehicles for greening of economy	• The Vehicle Scrapping Policy aims at creating an ecosystem for phasing out of unfit and polluting vehicles. This step by the government will not only promote green economy but is also likely to attract additional investments and new job opportunities while reducing considerable air pollution levels. • Government leading this initiative by replacing old, polluting vehicles and ambulances will push growth in the auto industry.
Ports & Shipping	
Coastal shipping with focus on PPP model with viability gap funding	• Promotion of coastal shipping, both for passengers and freight, through PPP mode with viability gap funding, will lead to a reduction in over-dependence on the roads sector in terms of goods transport. • This move will provide the necessary thrust to the overall connectivity and enable seamless movement of goods, thereby promoting multi-modal transportation.

Overall Assessment of Budget for Sector's Growth and Development

Finance Minister Nirmala Sitharaman's Budget 2023 has focused on fiscal consolidation while prioritising infrastructure creation, last mile connectivity and skill development. The substantial increase in capital outlay for infrastructure projects across centre and states, coupled with the specialised focus on improving last mile connectivity, will lead to creation of important last mile linkages.

Massive increase in outlay for Infrastructure to ₹2.4 lakh crore for railways is a welcome move and great opportunity for the sector. This outlay can lead to a dynamic change in strengthening the infrastructure of the entire railway system. Over 100 critical transport infrastructure projects for first

& last-mile connectivity (with an outlay of ₹75,000 crore) have been identified. This is going to augment more efficient, greener, and sustainable transportation ecosystem in India. Certainly, the 33% increase in infrastructure outlay will also majorly impact on reducing logistics cost.

The record outlay for the Indian Railways will provide the necessary impetus to programmes like the Dedicated Freight Corridor project that are critical to bringing the cost of freight movement down. These concurrently align with the goals envisioned under the National Logistics Policy. Development of private participation will also be crucial in implementing the 100 critical first and last mile transportation projects identified by the government as well as for helping India achieve its efforts towards net zero emissions by 2070. Rationalisation of custom duties on specific products, extending credit access to the MSME sector as well as easing of SEZ regulations will also help Indian products become price competitive, globally.

The government's continued support towards private investment and getting more of its participation into government projects is a 'virtuous' move. In terms of the ports & shipping sector, a focus on PPP model in coastal shipping will provide significant energy-efficient transportation for both passengers and freight.

FICCI welcomes the move towards scrapping and replacement of old, polluting vehicles. Significant funds towards their replacement will not only boost India's sustainable development goals (SDGs) but as well push the auto industry's overall development.

Tourism

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	969.80	1343.13	2400	78.68%
Outlays for key sectoral schemes				
Tourism Infrastructure	542.30	1022.86	1939.22	89.58%
Promotion and Publicity	49.42	120.00	242.00	101.66%
Training and Skill development	104.00	75.00	105.00	40%

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	The promotion of Tourism will be taken in a mission mode with the active participation of states, the convergence of government programmes and Public-Private partnerships.	Tourism will be considered as one of the top priority sector
2	50 additional airports, heliports, water aerodromes, advanced landing grounds will be revived to improve of regional air connectivity.	Improve in regional air connectivity.
3	A capital outlay of INR 2.40 lakh crores for the Railways sector. This record outlay is about 9 times the outlay made in 2013-14.	Improve in Rail connectivity
4	50 tourist destinations will be selected through challenge mode to be developed as a whole package for domestic and international tourism.	Help increase of domestic and inbound Tourism
5	Initiatives will be taken to set up tourism at border villages.	Increase of domestic and inbound Tourism
6	States will be encouraged to set a 'Unity Mall' in State capital or the most popular tourist destination in the state for the promotion and sale of 'One District, One product' and GI products and other handicraft products.	A great step towards local community development, handicraft industry promotion through tourism
7	Special initiatives will be taken to promote Eco Tourism	Very crucial step towards promoting sustainable and responsible tourism

Overall Assessment of Budget for Sector's Growth and Development

Tourism is seen as a priority sector in this budget which is a huge encouragement for the industry

- A mobile app will be launched by Govt. Of India in which all relevant aspects of the Tourist destination will be made available to enhance tourist experience
- Special focus on Air and Railways connectivity will directly facilitate in increase of Domestic and Inbound Tourism
- To strengthen the domestic tourism sector specific skilling and entrepreneurship development will be dovetailed to achieve the objectives of "Dekho Apna Desh" initiative

WASH (Water, Sanitation, Hygiene)

Budget Announcement	Likely Implication
GOBARdhan scheme - 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme will be established for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of ` 10,000 crore. I will refer to this in Part B. In due course, a 5 per cent CBG mandate will be introduced for all organizations marketing natural and bio gas. For collection of bio-mass and distribution of bio-manure, appropriate fiscal support will be provided.	This is an additional allocation under budget 23 of 10,000 crores addressing organic waste management. I understand this money shall be available besides what is available through the Swachh Bharat Mission Grameen on a per capita basis for organic waste management. But a lot would depend upon the State's demand as to how much they are able to raise demand for and accordingly absorb. But by and large a welcome move!
Aspirational Districts and Blocks Programme - Building on the success of the Aspirational Districts Programme, the Government has recently launched the Aspirational Blocks Programme covering 500 blocks for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.	The aspirational blocks program especially around water resources, skill development, health and related disciplines is a boon and push for some of the ongoing government flagships. I would prefer to comment on the Lighthouse initiative under SBMG, where the India Sanitation Coalition is supporting the DDWS (Ministry of Jal Shakti). The initiative has powerful interlinkages with all the sectors which are being covered here. The current phase of LHI is under implementation and outreach for Phase II of the initiative is also to commence soon. I surmise that Phase II of the initiative will see several such blocks being brought under its purview.
Support to State Governments for Capital Investment 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivize them for complementary policy actions, with a significantly enhanced outlay of Rs 1.3 lakh crore.	This can facilitate greater investment in WASH related areas by the State Governments.
Enhancing opportunities for private investment in Infrastructure The newly established Infrastructure Finance Secretariat will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure and power, which are predominantly dependent on public resources.	This is a good step for facilitating and encouraging greater private investment in urban infrastructure.

Harmonized Master List of Infrastructure The Harmonized Master List of Infrastructure will be reviewed by an expert committee for recommending the classification and financing framework suitable for *Amrit Kaal*.	This will also facilitate better financing for infrastructure activities across different domains including WASH.
Urban Infrastructure Development Fund Like the RIDF, an Urban Infrastructure Development Fund (UIDF) will be established through use of priority sector lending shortfall. This will be managed by the National Housing Bank and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. States will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF. We expect to make available ` 10,000 crores per annum for this purpose.	The setting up of the urban infrastructure development fund is an extremely welcome step! I can foresee the possibility of increased allocation (for gap funding, etc.) for the States and within States, the ULBs, who may have had financial constraints when attempting to put infrastructure in place, especially for the water supply and sanitation.
Urban Sanitation All cities and towns will be enabled for 100 per cent mechanical desludging of septic tanks and sewers to transition from manhole to machine-hole mode. Enhanced focus will be provided for the scientific management of dry and wet waste.	This was much required as it is certainly going to lead to a reduction in instances where sanitation workers are required to enter into manholes to clear the sewer line or into a septic tank to evacuate it to clear it of the faecal sludge. There have been many deaths on account of the manual cleaning of these two sanitation structures. Mechanized desludging is the only way forward and I am glad to recognize the role of robotics in the cleaning of these potholes and septic tanks long back. I am happy to share that ISC had identified the potential several years ago and accordingly promoted start-ups in the space, that are thriving well today, expanding their presence in more than 20 odds states and a large number of ULBs within them.
Credit Guarantee for MSMEs The revamped credit guarantee scheme will take effect from 1st April 2023 through the infusion of ` 9,000 crores in the corpus. This will enable additional collateral-free guaranteed credit of Rs. 2 lakh crore. Further, the cost of the credit will be reduced by about 1 per cent.	Credit guaranteeing for MSMEs has huge potential to galvanise a lot many of them into the water and sanitation space besides climate. In addition, a strengthened MSME ecosystem in the country would lead to employment generation.

Water

Budget Outlay for Sector (Rupees Crore)

	2021-22 Actual	2022-23 RE	2023-24 BE	% change (BE FY24 over RE FY23)
Overall for the Sector / Ministry	17215.16	14000.00	20054.67	43%
Outlays for key sectoral schemes				
National River Conservation Plan	498.67	-	-	-
Namani Gange	1394.03	-	-	-
National Ganga Plan	-	2500.00	4000.00	60%
River basin Management	168.31	101.64	110.00	8.22%
Water Resources Management	753.41	1702.51	2042.13	19.94%
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	63125.70	55000.00	70000.00	27%

Overall Assessment of Budget for Sector's Growth and Development

The Union Budget for FY2023-2024 has increased the funding for the Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti by 43%. The budget outlay for the FY 2022-23 was 14,000 crores which has now increased to 20,054.67 crores in FY 23-24. The cleaning of rivers is a continuous process. The budget outlay for National Ganga Plan has been increased by 60% and 8.22% increase is seen under River Basin management scheme. There is an increase in the budget for Water Resources Management Scheme by 19.94% which includes the following projects - Development of Water Resources Information System, Groundwater Management and Regulation, National Hydrology Project and Atal Bhujal Yojna. The budget outlay for Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission has been increased this year also from Rs 55,000 crores in 2022-23 to Rs 70,000 crores in 2023-24. These measures will further support in achieving the mission's progress of providing safe and accessible drinking water to all Indians.

Youth

Key Budget Announcements and Implications

	Budget Announcement	Likely Implication
1	**"Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0"** Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0 will be launched to skill lakhs of youth within the next three years. On-job training, industry partnership, and alignment of courses with needs of industry will be emphasised. The scheme will also cover new-age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills.	Targeted skilling and upskilling of the youth will cater to the demand of the industry at large and will provide significant job opportunities for the youth of the nation.
2	**30 Skill India International Centres** will be set up across different states to skill youth for international opportunities.	The 30 Skill India international centers focused on emerging technologies, with a strong focus on, on-the-job training, will contribute to the country's expanding knowledge capital, positioning India as a strong knowledge economy.
3	**Skill India Digital Platform** The digital ecosystem for skilling will be further expanded with the launch of a unified Skill India Digital platform for: ● enabling demand-based formal skilling, ● linking with employers including MSMEs, and ● facilitating access to entrepreneurship schemes.	The launch of a unified skill India digital platform for enabling demand based formal skilling will help the country successfully progress towards becoming a digital savvy nation.
4	**National Apprenticeship Promotion Scheme:** To provide stipend support to 47 lakh youth in three years, Direct Benefit Transfer under a pan-India National Apprenticeship Promotion Scheme will be rolled out.	Financial support to the 47 lakh youth entrepreneurs and innovators would empower them and benefit the overall economy.

Overall Assessment of Budget for Sector's Growth and Development

A focus on "youth power" as one of the key priorities and the intention to set up International Skill India centers is a welcome initiative. Our youth are the leaders of tomorrow across sectors and the right inputs and education will support the nation in the long term.

The announcement of PMKVY 4.0 to skill lakhs of youth within the next three years is in alignment with the needs for industry 4.0 and highly appreciable as it will lead to the improved employability. As IT sector has the potential to generate more jobs, right and adequate skills in AI, coding, mechatronics, drones, 3D printing and more would reap amazing benefits for the youth and the economy in general and would help in fulfilling the "Amrit Kaal" goals of the nation.