

PRACTICE

MOCK



UNION BUDGET 2023-24

SUMMARY

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PREFACE

“This Budget hopes to build on the foundation laid in the previous Budget, and the blueprint drawn for India@100. We envision a prosperous and inclusive India, in which the fruits of development reach all regions and citizens, especially our youth, women, farmers, OBCs, Scheduled Castes and Scheduled Tribes.

In the 75th year of our Independence, the world has recognised the Indian economy as a ‘bright star’. Our current year’s economic growth is estimated to be at 7 per cent. It is notable that this is the highest among all the major economies. This is in spite of the massive slowdown globally caused by Covid-19 and a war. The Indian economy is therefore on the right track, and despite a time of challenges, heading towards a bright future.

Today as Indians stand with their head held high, and the world appreciates India’s achievements and successes, we are sure that elders who had fought for India’s independence, will with joy, bless us with our endeavours going forward.”

- Finance Minister, N Sitharaman

Priorities of this Budget: The Budget adopts the following seven priorities. They complement each other and act as the ‘Saptarishi’ guiding us through the Amrit Kaal.



SAPTARISHI 7 PRIORITIES OF BUDGET 2023-2024





Priority 1: Inclusive Development

The Government's philosophy of **Sabka Saath Sabka Vikas** has facilitated inclusive development covering in specific, farmers, women, youth, OBCs, Scheduled Castes, Scheduled Tribes, divyangjan and economically weaker sections, and overall priority for the underprivileged (vanchiton ko varyyata). There has also been a sustained focus on Jammu & Kashmir, Ladakh and the North-East. This Budget builds on those efforts.

- **Agriculture and Cooperation**

Digital Public Infrastructure for Agriculture:

The Finance Minister said that the Digital Public infrastructure for agriculture will be built as an open source, open standard and inter operable public good. She said, this will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for the growth of agri-tech industry and startups.

Agriculture Accelerator Fund:

The FM announces that an **Agriculture Accelerator Fund** will be set up to encourage Agri startups by young entrepreneurs in rural areas, which will aim at bringing innovative and affordable solutions for challenges faced by farmers. It will also bring in modern technologies to transform agricultural practices and increase productivity and profitability.

Enhancing productivity of cotton crop:

To enhance the productivity of extra-long staple cotton, Government will adopt a cluster-based and value chain approach through Public Private Partnerships (PPP). This will mean collaboration between farmers, state and industry for input supplies, extension services, and market linkages.

Atmanirbhar Horticulture Clean Plant Programme:

Smt. Nirmala Sitharaman announced that the Government will launch an Atmanirbhar Clean Plant Programme to boost the availability of disease-free, quality planting material for high-value horticultural crops at an **outlay of Rs 2,200 crore**.

Global Hub for Millets: 'Shree Anna'

Smt. Sitharaman quoted Prime Minister as saying, "India is at the forefront of popularizing Millets, whose consumption furthers nutrition, food security and welfare of farmers". She said that India is the largest producer and second largest exporter of '**Shree Anna**' in the world as it grows several types of 'Shree Anna' such as jowar, ragi, bajra, kuttu, ramdana, kangni, kutki, kodo, cheena, and sama.

She mentioned that these have a number of health benefits, and have been an integral part of our food for centuries and acknowledged with pride that the huge service done by small farmers in contributing to the health of fellow citizens by growing these 'Shree Anna'. She added that to make India a global hub for 'Shree Anna', the **Indian Institute of Millet Research**, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.

Agriculture Credit:

Dwelling on welfare measures for farmers, the Finance Minister announced that the **agriculture credit target** will be increased to **Rs 20 lakh crore** with focus on animal husbandry, dairy and fisheries. She informed that the Government will launch a new sub-scheme of PM Matsya Sampada Yojana with targeted investment of

Rs 6,000 crore to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.

Cooperation:

For farmers, especially small and marginal farmers, and other marginalized sections, the government is promoting cooperative-based economic development model. A new **Ministry of Cooperation** was formed with a mandate to realize the vision of **'Sahakar Se Samridhhi'**. To realise this vision, the government has already initiated computerization of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of **Rs 2,516 crore**.

Sabka Saath Sabka Vikas-Inclusive Development

Agriculture and Cooperatives

Building Digital Public Infrastructure

Building an accessible, inclusive and informative solution for Farmers

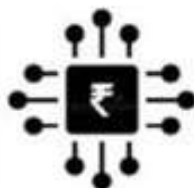


Setting up Agriculture Accelerator Fund

For encouraging innovative start-ups in rural areas

ANB* Horticulture Clean Plant Program to be launched

To boost production of high value horticultural crops



Targeted Funding

₹20 lakh crore agricultural credit targeted at Animal Husbandry, Dairy and Fisheries sector

Making India Global Hub For Millets: 'Sree Anna'

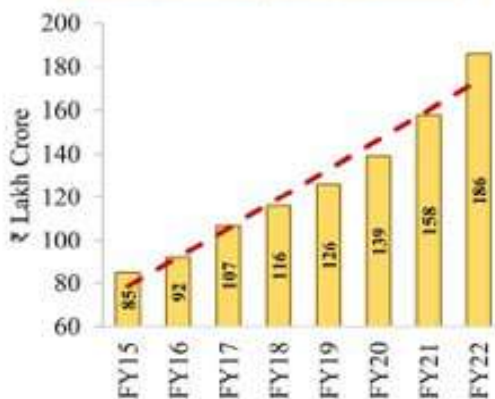
Support to be given to IIMR^, Hyderabad for promoting research



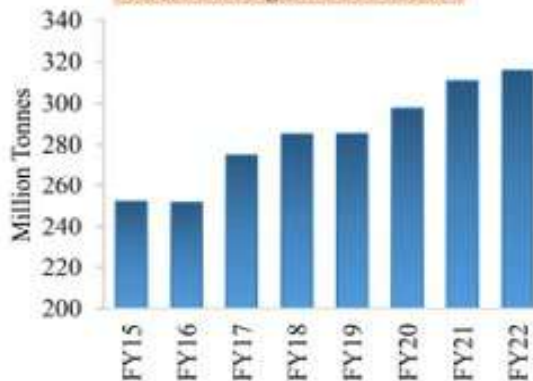
Setting-up of widely available storage capacity

Will enhance Farmers' remuneration by enabling sale at appropriate times

More Credit to Agriculture Sector



Record Foodgrain Production





- **Health, Education and Skilling**

Medical & Nursing Colleges:

The Finance Minister announced that one hundred and fifty-seven new nursing colleges will be established in co-location with the existing 157 medical colleges established since 2014. She also informed that a **Mission to eliminate Sickle Cell Anaemia** by 2047 will be launched, which 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. On Medical Research, she said that 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.

Dwelling on the subject of Pharma Innovation, the Finance Minister informed that a new programme to promote research and innovation in pharmaceuticals will be taken up through centers of excellence. She said that the Government will also encourage industry to invest in research and development in specific priority areas.

Teachers' Training:

Smt. Sitharaman said that Teachers' training will be re-envisioned through innovative pedagogy, curriculum transaction, continuous professional development, dipstick surveys, and ICT implementation. She added that the District Institutes of Education and Training will be developed as vibrant institutes of excellence for this purpose.

She also informed that 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.

Priority 2: Reaching the Last Mile

The Finance Minister said that Prime Minister Vajpayee's government had formed the Ministry of Tribal Affairs and the Department of Development of North-Eastern Region to provide a sharper focus to the objective of 'reaching the last mile'. She said that Modi Government has formed the ministries of AYUSH, Fisheries, Animal Husbandry and Dairying, Skill Development, Jal Shakti and Cooperation.

Aspirational Districts and Blocks Programme: Smt. Sitharaman informed that 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.

Pradhan Mantri PVTG Development Mission: The Finance Minister said that to improve socio-economic conditions of the **particularly vulnerable tribal groups** (PVTGs), Pradhan Mantri PVTG Development Mission will be launched. This will saturate PVTG families and habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities. An amount of **Rs 15,000 crore** will be made available to implement the Mission in the next three years under the Development Action Plan for the Scheduled Tribes. Smt. Sitharaman announced that 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.



Water for Drought Prone Region: The Finance Minister said that in the drought-prone central region of Karnataka, central assistance of Rs **5,300 crore** will be given to Upper Bhadra Project to provide sustainable micro irrigation and filling up of surface tanks for drinking water.

PM Awas Yojana: In an important announcement, the Finance Minister said that the outlay for PM Awas Yojana is being enhanced by 66 per cent to over **Rs 79,000 crore**.

'Bharat Shared Repository of Inscriptions' will be set up in a digital epigraphy museum, with digitization of one lakh ancient inscriptions in the first stage.

Priority 3: Infrastructure & Investment

Smt. Sitharaman said, investments in Infrastructure and productive capacity have a large multiplier impact on growth and employment and in view of this capital investment outlay is being increased steeply for the third year in a row by 33 per cent to **Rs 10 lakh crore**, which would be **3.3 per cent of GDP**. She said that this will be almost three times the outlay in 2019-20. The **'Effective Capital Expenditure'** of the Centre is budgeted at **Rs 13.7 lakh crore**, which will be 4.5 per cent of GDP.

Support to State Governments for Capital Investment: The Finance Minister informed that the Government has decided to continue the **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**.

Railways: The Finance Minister announced that a capital outlay of **Rs 2.40 lakh crore** has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013- 14.

She also informed that one hundred critical transport infrastructure projects, for last and first-mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and they will be taken up on priority with an investment of Rs 75,000 crore, including Rs 15,000 crore from private sources.

Smt. Sitharaman said that fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.

The Finance Minister announced that an **Urban Infrastructure Development Fund (UIDF)** will be established through use of priority sector lending shortfall, which 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. She said that 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. Smt. Sitharaman said that Government will make available **Rs 10,000 crore per annum** for this purpose.

Priority 4: Unleashing the Potential

The Finance Minister said that for enhancing ease of doing business, more than 39,000 compliances have been reduced and more than 3,400 legal provisions have been decriminalized. She added that for furthering the trust-based governance, Government has introduced the **Jan Vishwas Bill** to amend 42 Central Acts.

Centres of Excellence for Artificial Intelligence: The Finance Minister said that for realizing the vision of "Make A-I in India and Make A-I 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, which will galvanize an effective A-I ecosystem and nurture quality human resources in the field.



National Data Governance Policy: The FM said that to unleash innovation and research by start-ups and academia, a National Data Governance Policy will be brought out, which will enable access to anonymized data.

She also announced that an **Entity DigiLocker** will be set up for use by MSMEs, large businesses and charitable trusts for storing and sharing documents online securely, whenever needed, with various authorities, regulators, banks and other business entities. On 5G Services, she announced that one hundred labs for developing applications using 5G services will be set up in engineering institutions to realize 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.

Priority 5: Green Growth

Smt. Sitharaman said that Prime Minister has given a vision for “**LIFE**”, or **Lifestyle for Environment**, to spur a movement of environmentally conscious lifestyle. India is moving forward firmly for the ‘**panchamrit**’ and **net-zero carbon emission by 2070** to usher in green industrial and economic transition.



She said, this Budget builds on the focus on green growth. The recently launched **National Green Hydrogen Mission**, with an outlay of **Rs 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. The target is to reach an annual production of 5 MMT by 2030.

The Budget also provides **Rs 35,000 crore** for priority capital investments towards energy transition and net zero objectives, and energy security by Ministry of Petroleum & Natural Gas.

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GOBARdhan scheme: Smt. Nirmala Sitharaman announced that 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 Rs 10,000 crore.

In due course, a 5 per cent CBG mandate will be introduced for all organizations marketing natural and bio gas and for the collection of bio-mass and distribution of bio-manure, appropriate fiscal support will be provided.

Bhartiya Prakritik Kheti Bio-Input Resource Centres: The Finance Minister announced that over the next 3 years, the Centre will facilitate one 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.

Priority 6: Youth Power

The Finance Minister said that to empower the youth and help the 'Amrit Peedhi' realize their dreams, Government has formulated the National Education Policy, focused on skilling, adopted economic policies that facilitate job creation at scale, and have supported business opportunities.

Amrit Peedhi - Youth Power



PMKVY 4.0 will be launched

Covering new courses like coding, AI, Robotics, 3D printing etc.



Measures to boost Tourism sector

At least 50 destinations to be selected, through challenge mode, to be developed as a complete package for domestic and foreign tourists.



States will be encouraged to set-up Unity Malls

For promotion and sale of ODOP (One District-One Product), GI and handicraft products

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.

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.



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.

Priority 7: Financial Sector

Credit Guarantee for MSMEs: The Finance Minister said that last year, she proposed revamping of the credit guarantee scheme for MSMEs and announced happily that 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 per cent.

Financial Sector

Setting up of National Financial Information registry

To enable efficient lending, promote financial inclusion and enhance financial stability

Setting up of a Central Data processing Centre

For faster handling of administrative work under the Companies Act



Mahila Samman Bachat Patra

One-time new small savings scheme for a 2-year period with a deposit facility of up to ₹2 lakh for women

Benefits for Senior Citizens

Enhanced maximum deposit limit for senior citizens savings scheme from ₹15 lakh to ₹30 lakh

Credit Guarantee scheme for MSMEs

Expanded corpus under a revamped scheme to enable additional collateral free guaranteed credit of ₹2 lakh crore

Other Initiatives

- Initiatives to promote business activities in GIFT IFSC
- Create more trained professionals in Securities Markets via award of educational certificates

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.

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 2013.

For commemorating Azadi Ka Amrit Mahotsav, a one-time new small savings scheme, **Mahila Samman Savings Certificate**, will be made available for a two-year period up to **March 2025**. This will offer deposit facility upto Rs 2 lakh in the name of women or girls for a tenor of 2 years at fixed interest rate of 7.5 per cent with partial withdrawal option.

Senior Citizens: The Finance Minister announced that the maximum deposit limit for **Senior Citizen Savings Scheme** will be enhanced **from Rs 15 lakh to Rs 30 lakh**.



Fifty-year interest free loan to States: The entire fifty-year loan to states has to be spent on capital expenditure within 2023-24. Most of this will be at the discretion of states, but a part will be conditional on states increasing their actual capital expenditure. The parts of the outlay will also be linked to, or allocated for, the following purposes: like Scrapping old government vehicles, Urban planning reforms and actions, Financing reforms in urban local bodies to make them, creditworthy for municipal bonds, Housing for police personnel above or as part of police stations, Constructing Unity Malls, Children and adolescents' libraries and digital infrastructure and State share of capital expenditure of central schemes.

The Revised Estimate of the total receipts other than borrowings is Rs 24.3 lakh crore, of which the **net tax receipts are Rs 20.9 lakh crore**. The Revised Estimate of the total expenditure is Rs 41.9 lakh crore, of which the capital expenditure is about Rs 7.3 lakh crore. Similarly, the Revised Estimate of the fiscal deficit is 6.4 per cent of GDP, adhering to the Budget Estimate.

The total receipts other than borrowings and the total expenditure are estimated at Rs 27.2 lakh crore and Rs 45 lakh crore respectively. The net tax receipts are estimated at Rs 23.3 lakh crore. The fiscal deficit is estimated to be **5.9 per cent of GDP**.

To finance the fiscal deficit in 2023-24, the **net market borrowings from dated securities** are estimated at **Rs 11.8 lakh crore**. The balance financing is expected to come from **small savings and other sources**. The gross market borrowings are estimated at Rs 15.4 lakh crore.

Personal Income Tax: There are five major announcements relating to personal income tax. The rebate limit in the new tax regime has been **increased to ₹ 7 lakh**, meaning that persons in the new tax regime with income upto ₹ 7 lakh will not have to pay any tax. The tax structure in the new personal tax regime has been changed by reducing the number of slabs to five and increasing the tax exemption limit to ₹ 3 lakh. This will provide major relief to all taxpayers in the new regime.

The benefit of standard deduction has been extended to the salaried class and the pensioners including family pensioner under the new tax regime. Salaried individuals will get standard deduction of ₹ 50,000 and pensioner ₹ 15,000 as per the proposal. Each salaried person with an income of ₹ 15.5 lakh or more will thus gain ₹ 52,500, from the above proposals.

The **indirect tax** proposals announced in the budget by the Union Minister for Finance & Corporate Affairs, Smt Nirmala Sitharaman emphasized on simplification of tax structure with fewer tax rates so as to help in reducing compliance burden and improving tax administration. The number of basic customs duty rates on goods, other than textiles and agriculture, has been reduced from 21 to 13. There are minor changes in the basic customs duties, cesses and surcharges on items including toys, bicycles, automobiles and naphtha.

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Direct Tax Proposals

To reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens



45% of the returns on tax payers' portal were processed within 24 hours



Average processing period reduced from 93 to 16 days in 8 years



Processed more than 6.5 crore returns this year

Further Simplifying Personal Income Tax



Income limit for rebate of income tax increased from ₹5 lakh to ₹7 lakh in the new regime

New Income tax regime

Exemption limit increased to ₹ 3 lakh



- Highest surcharge rate on income above ₹5 crore to be reduced from 37% to 25% under new regime
- Extending benefits of standard deduction to new tax regime for salaried class and pensioners
- Increasing tax exemption limit to ₹25 lakh on leave encashment on retirement for non-government salaried employees

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BUDGET: AT A GLANCE

This segment presents broad aggregates of the Budget for easy understanding. This document shows receipts and expenditures as well as the **Fiscal Deficit (FD)**, **Revenue Deficit (RD)**, **Effective Revenue Deficit (ERD)** and the **Primary Deficit (PD)** of the Government of India. It gives an illustrative account of sources of receipts and expenditures. The section also encompasses extracts of allocations for programmes and schemes and gives insights on sources of deficit financing and the composition of important budgetary variables.

- **Fiscal Deficit (FD)** is the adverse fiscal balance which is a difference between the Revenue Receipts Plus Non-Debt Capital Receipts (NDCR) i.e., a total of the non-debt receipts and the total expenditure. FD is reflective of the total borrowing requirement of the Government.
- **Revenue Deficit (RD)** refers to excess revenue expenditure over revenue receipts.
- **Effective Revenue Deficit (ERD)** is the difference between a Revenue Deficit and a Grant-in-Aid for the Creation of Capital Assets.
- **Primary Deficit** is measured as Fiscal Deficit less interest payments.
- **Effective Capital Expenditure (Eff-Capex)** refers to the sum of Capital Expenditure and Grants-in-Aid for the Creation of Capital Assets.

NOTE: Before we move ahead, please keep in mind the following abbreviations;

- BE: **Budget Estimate**
- RE: **Revised Estimate**

In **RE 2022-23**, the total expenditure has been estimated at **Rs 41,87,232 crore** which is more than the Actuals of FY 2021-22 by Rs 3,93,431 crore. The total capital expenditure in RE 2022-23 is estimated at **Rs 7,28,274 crore**.

The **total expenditure in BE 2023-24** is estimated at **Rs 45,03,097 crore** of which total **capital expenditure is Rs 10,00,961 crore**. Budget 2023-24 reflects continuing strong commitment of the Union Government to boost economic growth by investing in infrastructure development leading to an increase in capital expenditure by **37.4 per cent** over RE 2022-23. Effective Capital Expenditure, at **Rs 13,70,949 crore** in BE 2023-24, shows an increase of 30.1 per cent over RE 2022-23.

Total resources being transferred to the States including the devolution of State's share, Grants/Loans and releases under Centrally Sponsored Schemes, etc. in BE 2023-24 is Rs 17,97,537 crore, which shows an increase of Rs 1,43,056 crore over Actuals of FY 2021-22.

A budget basically contains two major heads, **total receipts** and **total expenditures**. Further, these two can be categorised in the manner shown below;

Total Receipts:

- Revenue Receipts
 - Tax Revenue
 - Non-Tax Revenue
- Capital Receipts
 - Recovery of loans
 - Borrowing and liabilities
 - Other receipts

**Total Expenditure:**

- Revenue Expenditure
 - Interest payments
 - Grants in Aid
 - Other revenue expenditures, such as salaries and pensions
- Capital Expenditure

A brief account of the above-mentioned major and sub-heads in the Union Budget 2023-24 are below;

1. Revenue Receipts	Budget Estimates (2022-2023)	Revised Estimates (2022-2023)	Budget Estimates (2023-2024)
Tax Revenue (Net to Centre)	1934771	2086662	2330631
Non-Tax Revenue	269651	261751	301650
Total	2204422	2348413	2632281

2. Capital Receipts	Budget Estimates (2022-2023)	Revised Estimates (2022-2023)	Budget Estimates (2023-2024)
Recovery of Loans	14291	23500	23000
Other Receipts	65000	60000	61000
Borrowings and Other Liabilities	1661196	1755319	1786816
Total	1740487	1838819	1870816
3. Total Receipts (1+4)	Budget Estimates (2022-2023)	Revised Estimates (2022-2023)	Budget Estimates (2023-2024)
Total	3944909	4187232	4503097

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4. Total Expenditure (10+13)	Budget Estimates (2022-2023)	Revised Estimates (2022-2023)	Budget Estimates (2023-2024)
On Revenue Account of Which	3194663	3458959	3502136
Interest Payments	940651	940651	1079971
Grants in Aid for creation of capital assets	317643	325588	369988
On Capital Account	750246	728274	1000961
Total	3944909	4187232	4503097

DEFICIT STATISTICS

Deficits can be categorised into four major headings;

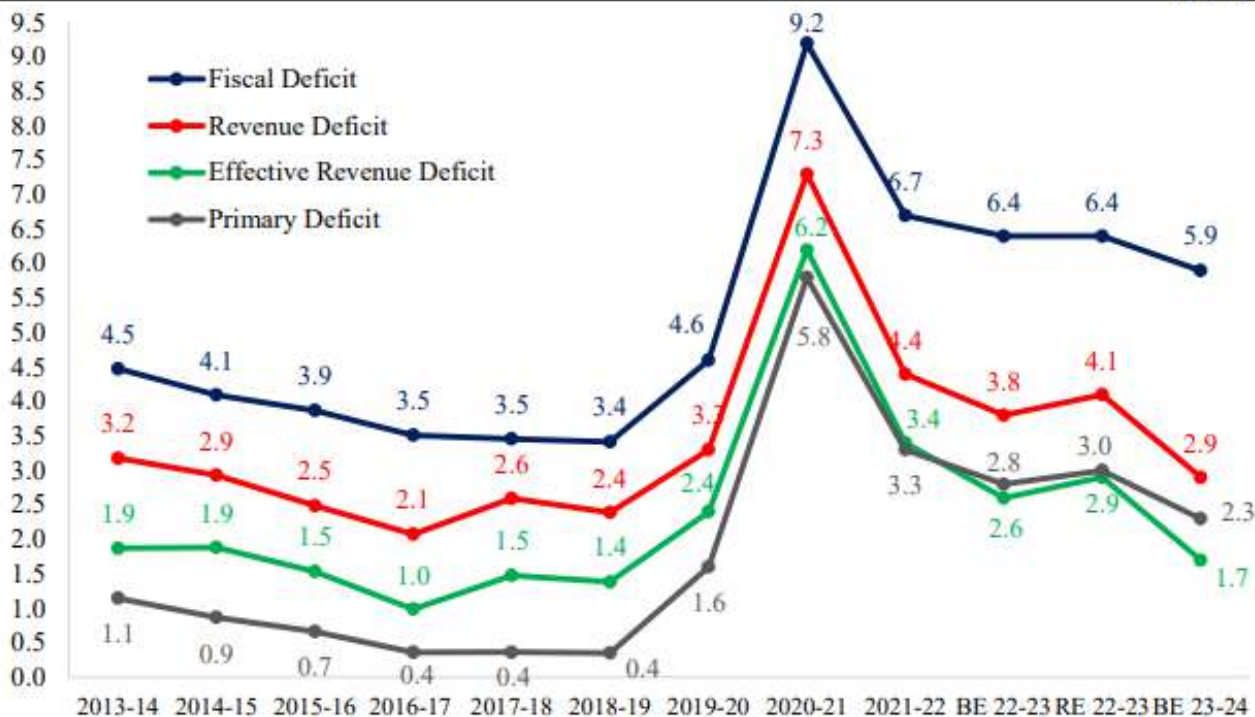
- Fiscal Deficit
- Revenue Deficit
- Effective Revenue Deficit
- Primary Deficit

Please go through the following table and graph which are self-explanatory to showcase the trends over the years and the latest provisions in the Union Budget 2023-24. The amount given below is **in crore (Rs)**.

	BE (2022-23)	RE (2022-23)	BE (2023-24)
Fiscal deficit	1661196	1755319	1786816
Revenue deficit	990241	1110546	869855
Effective revenue deficit	672598	784958	499867
Primary deficit	720545	814668	706845

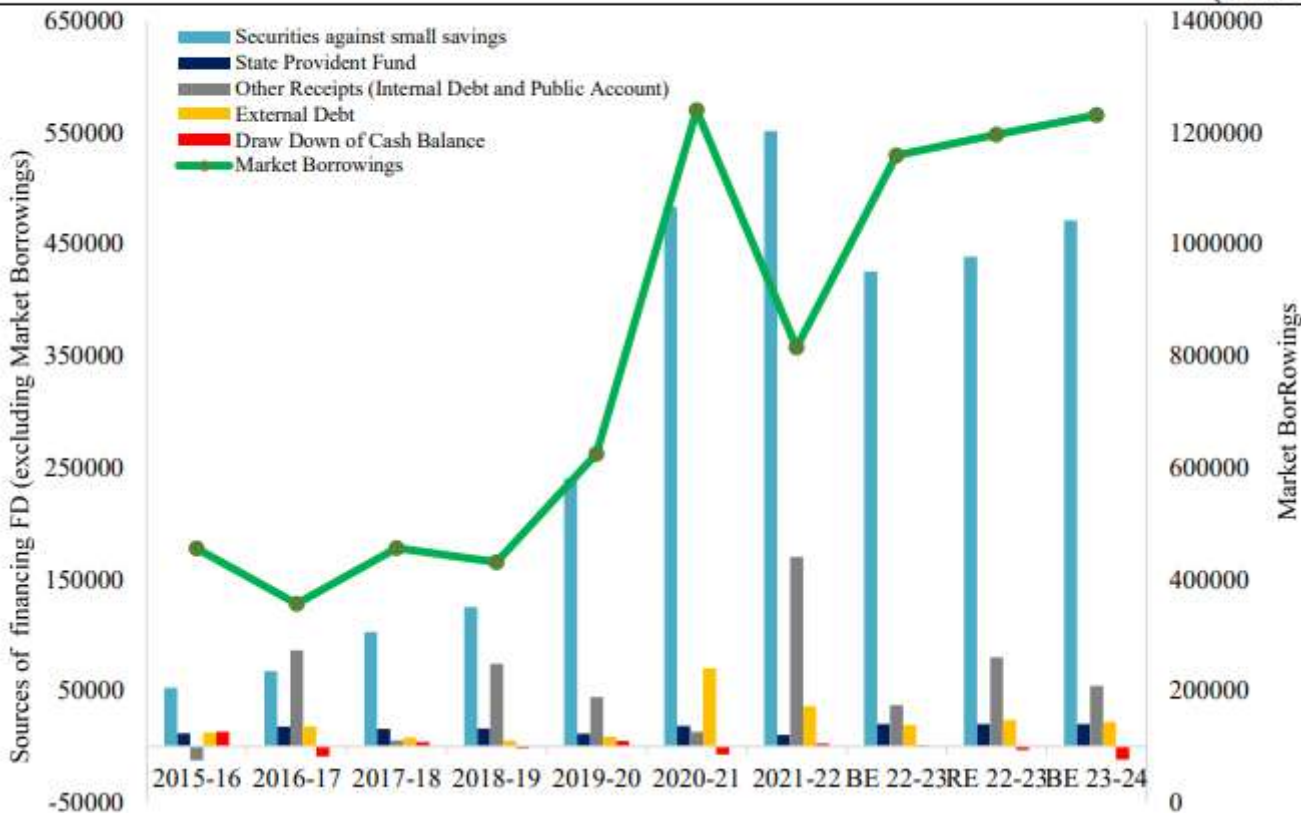
DEFICIT TRENDS

(% of GDP)



SOURCES OF DEFICIT FINANCING

(₹ crore)



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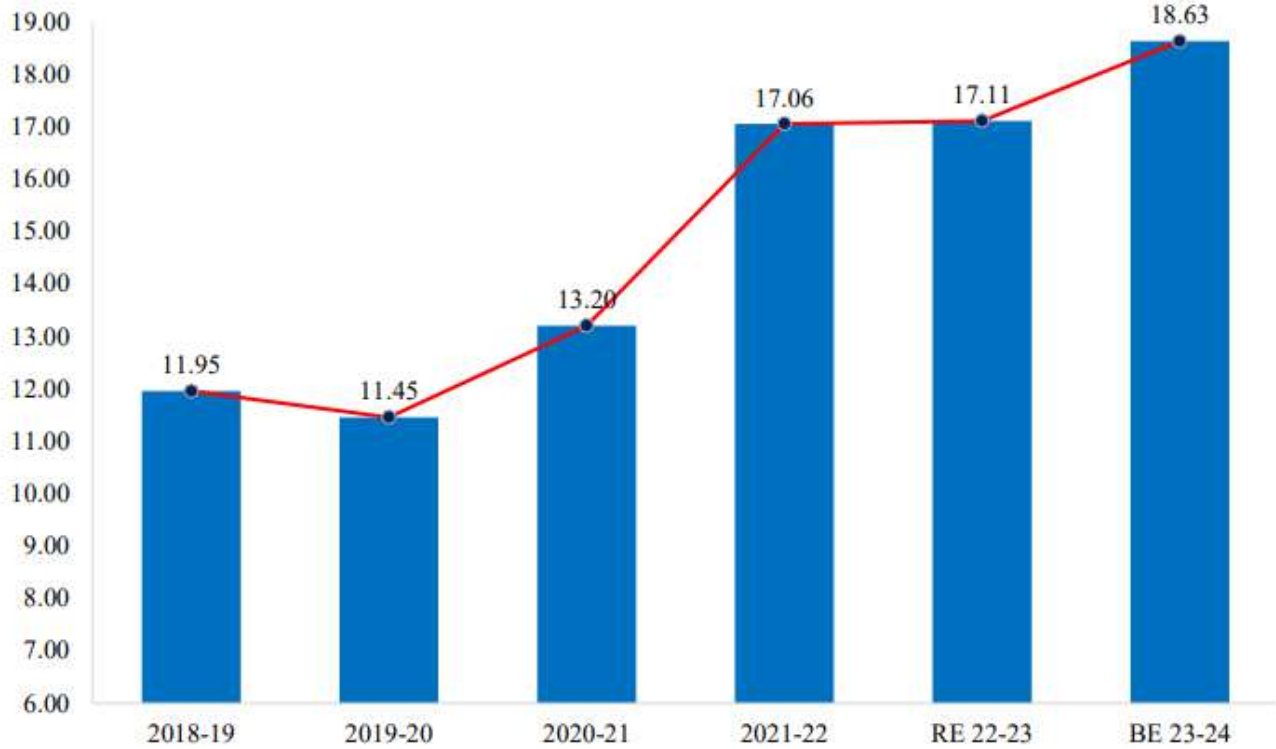
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TRANSFER OF RESOURCES TO STATES AND UTs

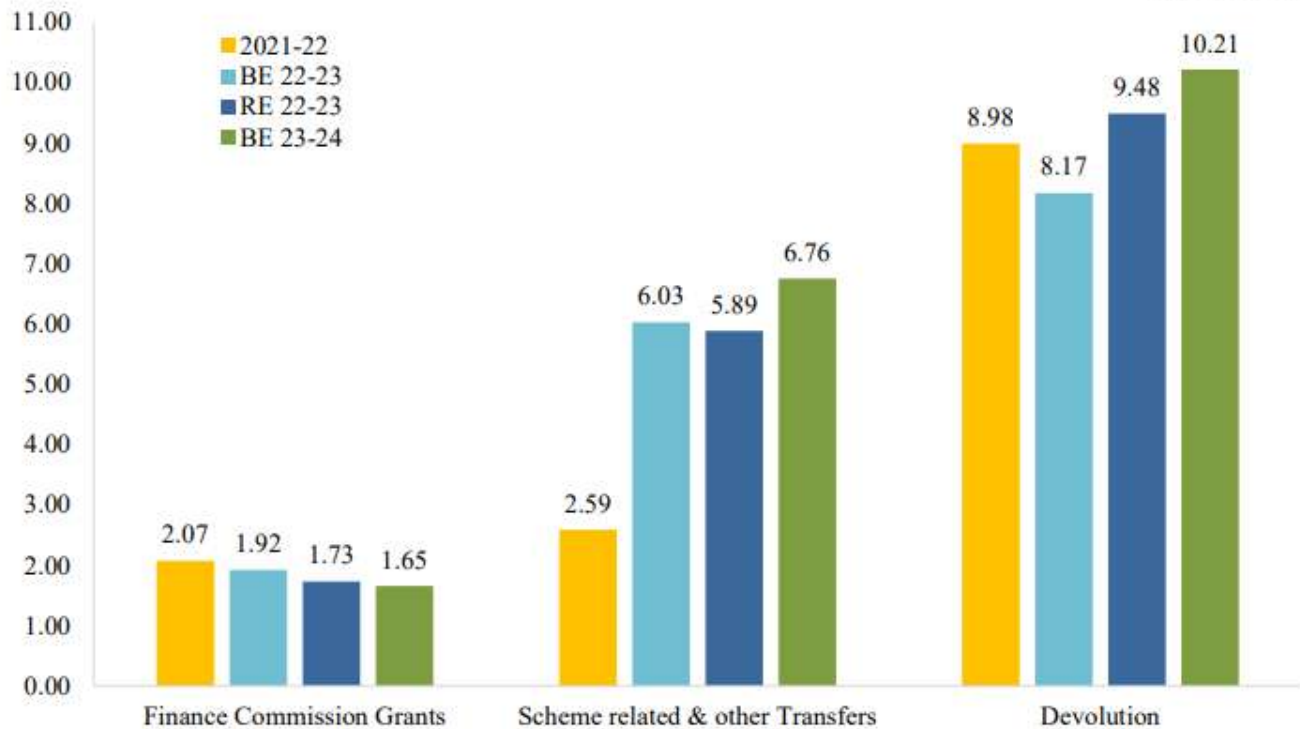
TOTAL TRANSFERS TO STATES AND UTs

(₹ lakh crore)



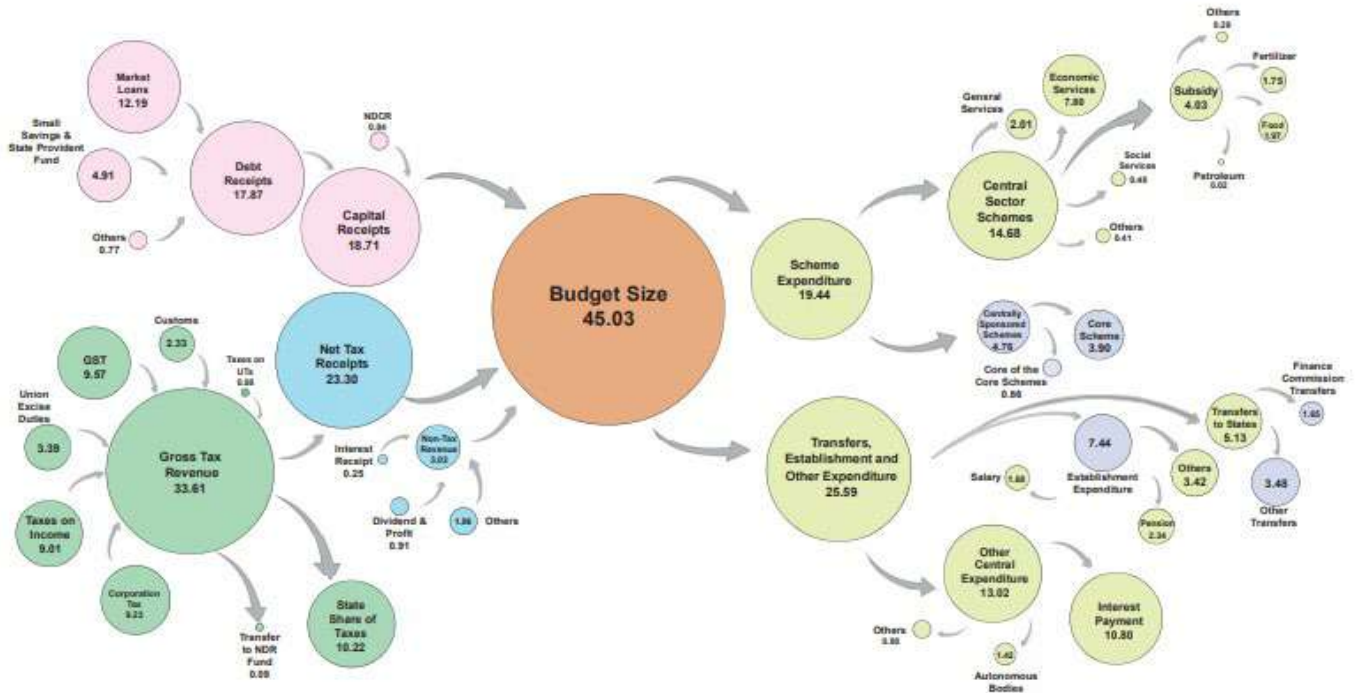
COMPOSITION OF TRANSFERS TO STATES AND UTs

(₹ lakh crore)



BUDGET PROFILE

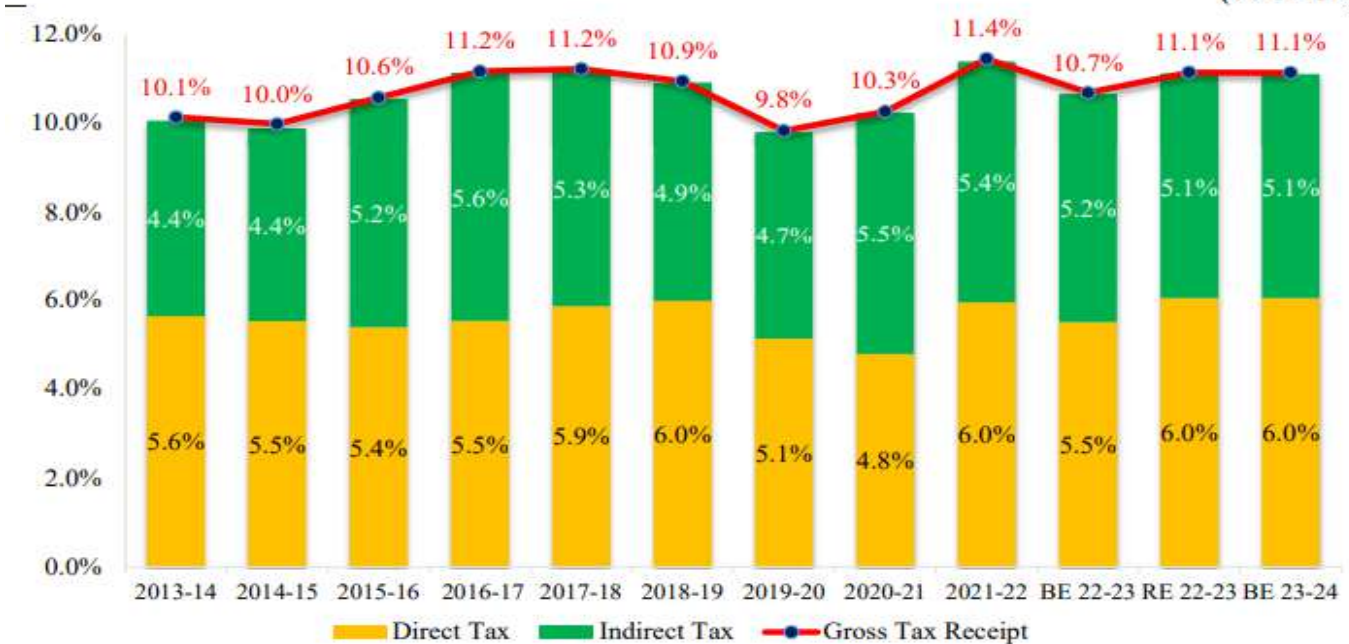
BUDGET PROFILE



RECEIPTS

TREND IN TAX RECEIPTS

(% of GDP)



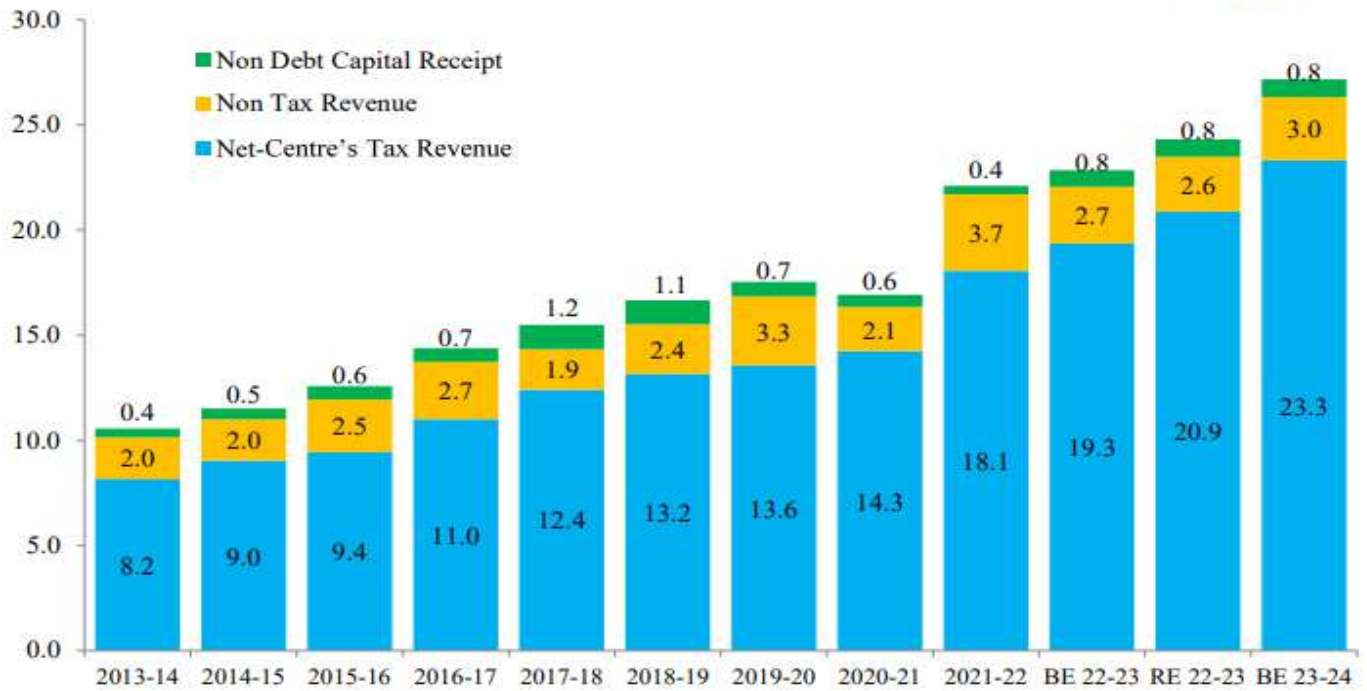
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TREND IN NET RECEIPT OF THE CENTRE

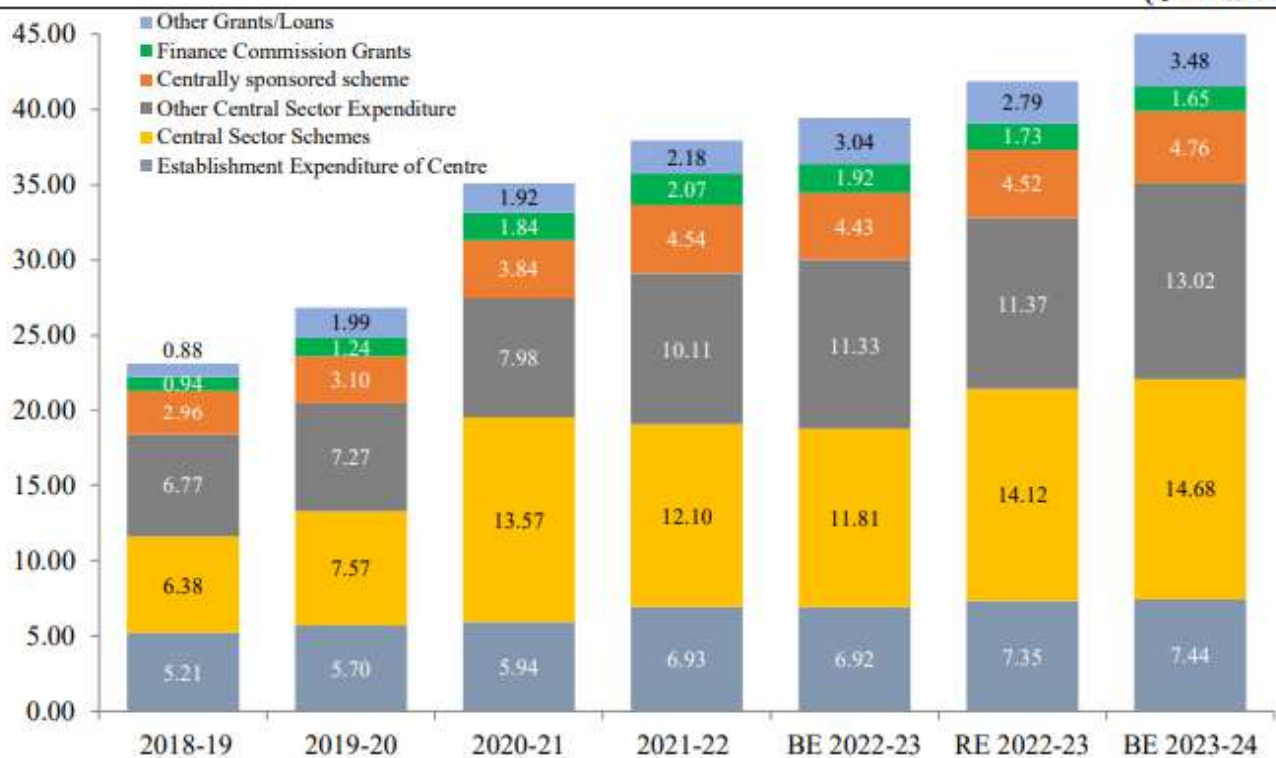
(₹ in lakh crore)



EXPENDITURE

COMPOSITION OF EXPENDITURE

(₹ in lakh crore)



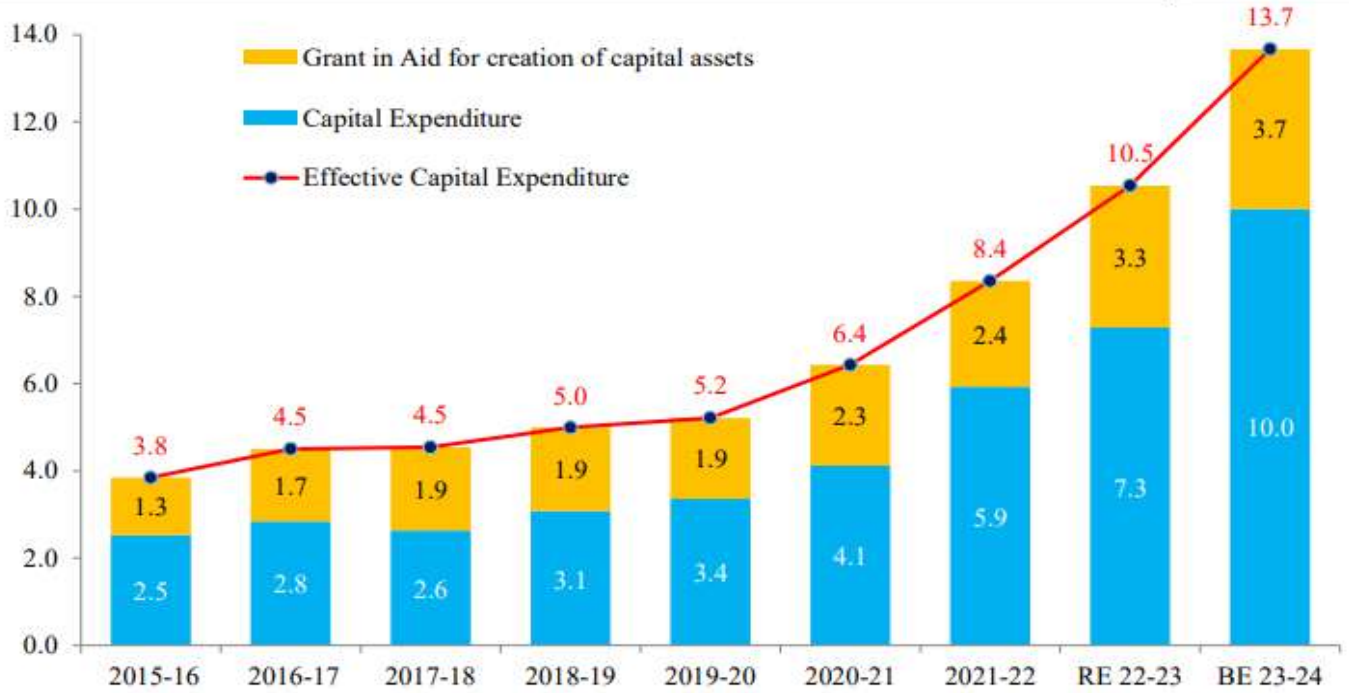
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TREND IN CAPITAL EXPENDITURE

(₹ in lakh crore)



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OUTLAY ON MAJOR SCHEMES

Core of the Core Schemes

The amount given below is in Rs in Crore.

No.	Core of the Core Schemes	BE 2023-24 (in ₹ Crore)
1	Mahatma Gandhi National Rural Employment Guarantee Program	60,000
2	National Social Assistance Program	9,636
3	Umbrella Programme for Development of Minorities	610
4	Umbrella Programme for Development of Other Vulnerable Groups	2,194
5	Umbrella Programme for Development of Scheduled Tribes	4,295
6	Umbrella Scheme for Development of Schedule Castes	9,409

Core Schemes

No.	Core Schemes	BE 2023-24 (in ₹ Crore)
1	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	7,200
2	Blue Revolution	2,025
3	Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	70,000
4	National Education Mission	38,953
5	National Health Mission	36,785
6	National Livelihood Mission - Aajeevika	14,129
7	Pradhan Mantri Awas Yojna (PMAY)	79,590
8	Pradhan Mantri Gram Sadak Yojana	19,000
9	Pradhan Mantri Krishi Sinchai Yojana	10,787
10	Rashtriya Gram Swaraj Abhiyan (RGSA)	895
11	Swachh Bharat Mission (Urban)	5,000
12	Swachh Bharat Mission (Gramin)	7,192
13	Urban Rejuvenation Mission: AMRUT and Smart Cities Mission	16,000
14	Mission Shakti (Mission for Protection and Empowerment for Women)	3,144
15	Mission VATSALYA (Child Protection Services and Child Welfare Services)	1,472
16	PM Schools for Rising India (PM SHRI)	4,000
17	Pradhan Mantri Ayushman Bharat Health Infrastructure Mission	4,200
18	Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)	11,600
19	PM Formalisation of Micro Food Processing Enterprises Scheme	639
20	Rashtriya Krishi Vikas Yojana	7,150



21	Saksham Anganwadi and POSHAN 2.0	20,554
22	Strengthening Teaching-Learning and Results for States (STARS)	800

Major Central Sector Schemes

No.	Major Central Sector Schemes	BE 2023-24 (in ₹ Crore)
1	Pradhan Mantri Kisan Samman Nidhi (PMKisan)	60,000
2	Formation and Promotion of 10,000 Farmer Producer Organizations (FPO)	955
3	Urea Subsidy	1,31,100
4	Nutrient Based Subsidy	44,000
5	Production Linked Incentive Schemes (Gross)	8083
6	Prime Minister's Development Initiative for North East Region	2,200
7	Deep Ocean Mission (DOM)	600
8	PM Uchchatar Shiksha Protsahan (PM-USP) Yojana	1,554
9	National Investment and Infrastructure Fund (NIIF)	2,000
10	Remission of Duties and Taxes on Exported Products (RoDTEP)	15,069
11	Pradhan Mantri Kisan Sampada Yojana	923
12	Pardhan Mantri Swasthya Suraksha Yojana	3,365
13	FAME - India	5,172
14	Atal Bhujal Yojna	1,000
15	Raising and Accelerating MSME Performance - RAMP	1,170
16	Aatmanirbhar Bharat Rojgar Yojana	2,273
17	Prime Minister Employment Generation Programme (PMEGP)	2,700
18	Khadi Gramodyog Vikas Yojana	917
19	PM-Viraasat Ka Samvardhan (PM VIKAS)	540
20	PM Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM - KUSUM)	1,996
21	Skill India Programme	2,278
22	Eklavya Model Residential Schools (EMRS)	5,943

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**HIGHLIGHTS: For Revision****Part – A**

- Per capita income has more than doubled to ₹1.97 lakh in around nine years.
- Indian economy has increased in size from being 10th to 5th largest in the world in the past nine years.
- EPFO membership has more than doubled to 27 crore.
- 7,400 crore digital payments of ₹126 lakh crore has taken place through UPI in 2022.
- 11.7 crore household toilets constructed under Swachh Bharat Mission.
- 9.6 crore LPG connections provided under Ujjwala.
- 220 crore covid vaccination of 102 crore persons.
- 47.8 crore PM Jan Dhan bank accounts.
- Insurance cover for 44.6 crore persons under PM Suraksha Bima and PM Jeevan Jyoti Yojana.
- Cash transfer of ₹2.2 lakh crore to over 11.4 crore farmers under PM Kisan Samman Nidhi.
- Seven priorities of the budget 'Saptarishi' are inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power and financial sector.
- Atmanirbhar Clean Plant Program with an outlay of ₹2200 crore to be launched to boost availability of disease-free, quality planting material for high value horticultural crops.
- 157 new nursing colleges to be established in co-location with the existing 157 medical colleges established since 2014.
- Centre to recruit 38,800 teachers and support staff for the 740 Eklavya Model Residential Schools, serving 3.5 lakh tribal students over the next three years.
- Outlay for PM Awas Yojana is being enhanced by 66% to over Rs. 79,000 crore.
- Capital outlay of Rs. 2.40 lakh crore has been provided for the Railways, which is the highest ever outlay and about nine times the outlay made in 2013-14.
- Urban Infrastructure Development Fund (UIDF) will be established through use of priority Sector Lending shortfall, which 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.
- Entity DigiLocker to be setup for use by MSMEs, large business and charitable trusts to store and share documents online securely.
- 100 labs to be setup for 5G services based application development to realize a new range of opportunities, business models, and employment potential.
- 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme to be established for promoting circular economy at total investment of Rs 10,000 crore. 5 per cent compressed biogas mandate to be introduced for all organizations marketing natural and bio gas.
- Centre to facilitate one crore farmers to adopt natural farming over the next three years. For this, 10,000 Bio-Input Resource Centres to be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
- Pradhan Mantri Kaushal Vikas Yojana 4.0, to be launched to skill lakhs of youth within the next three years covering new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills.



- 30 Skill India International Centres to be set up across different States to skill youth for international opportunities.
- Revamped credit guarantee scheme for MSMEs to take effect from 1st April 2023 through infusion of Rs 9,000 crore in the corpus. This scheme would enable additional collateral-free guaranteed credit of Rs 2 lakh crore and also reduce the cost of the credit by about 1 per cent.
- Central Processing Centre to be setup for faster response to companies through centralized handling of various forms filed with field offices under the Companies Act.
- The maximum deposit limit for Senior Citizen Savings Scheme to be enhanced from Rs 15 lakh to Rs 30 lakh.
- Targeted Fiscal Deficit to be below 4.5% by 2025-26.
- Agriculture Accelerator Fund to be set-up to encourage agri-startups by young entrepreneurs in rural areas.
- To make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.
- ₹20 lakh crore agricultural credit targeted at animal husbandry, dairy and fisheries
- A new sub-scheme of PM Matsya Sampada Yojana with targeted investment of ₹6,000 crore to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.
- Digital public infrastructure for agriculture to be built as an open source, open standard and interoperable public good to enable inclusive farmer centric solutions and support for growth of agri-tech industry and start-ups.
- Computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of ₹2,516 crore initiated.
- Massive decentralised storage capacity to be set up to help farmers store their produce and realize remunerative prices through sale at appropriate times.
- Sickle Cell Anaemia elimination mission to be launched.
- Joint public and Private Medical research to be encouraged via select ICMR labs for encouraging collaborative research and innovation.
- New Programme to promote research in Pharmaceuticals to be launched.
- Rs. 10 lakh crore capital investment, a steep increase of 33% for third year in a row, to enhance growth potential and job creation, crowd-in private investments, and provide a cushion against global headwinds.
- Aspirational Blocks Programme covering 500 blocks launched for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.
- Rs. 15,000 crore for implementation of Pradhan Mantri PVTG Development Mission over the next three years under the Development Action Plan for the Scheduled Tribes.
- Investment of Rs. 75,000 crore, including Rs. 15,000 crore from private sources, for one hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors.
- New Infrastructure Finance Secretariat established to enhance opportunities for private investment in infrastructure.



- District Institutes of Education and Training to be developed as vibrant institutes of excellence for Teachers' Training.
- A National Digital Library for Children and Adolescents to be set-up for facilitating availability of quality books across geographies, languages, genres and levels, and device agnostic accessibility.
- Rs. 5,300 crore to be given as central assistance to Upper Bhadra Project to provide sustainable micro irrigation and filling up of surface tanks for drinking water.
- 'Bharat Shared Repository of Inscriptions' to be set up in a digital epigraphy museum, with digitization of one lakh ancient inscriptions in the first stage.
- 'Effective Capital Expenditure' of Centre to be Rs. 13.7 lakh crore.
- Continuation of 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.
- Encouragement to states and cities to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow'.
- Transition from manhole to machine-hole mode by enabling all cities and towns to undertake 100 percent mechanical desludging of septic tanks and sewers.
- iGOT Karmayogi, an integrated online training platform, launched to provide continuous learning opportunities for lakhs of government employees to upgrade their skills and facilitate people-centric approach.
- More than 39,000 compliances reduced and more than 3,400 legal provisions decriminalized to enhance Ease Of Doing Business.
- Jan Vishwas Bill to amend 42 Central Acts have been introduced to further trust-based governance.
- Three centres of excellence for Artificial Intelligence to be set-up in top educational institutions to realise the vision of "Make AI in India and Make AI work for India".
- National Data Governance Policy to be brought out to unleash innovation and research by start-ups and academia.
- One stop solution for reconciliation and updation of identity and address of individuals to be established using DigiLocker service and Aadhaar as foundational identity.
- PAN will be used as the common identifier for all digital systems of specified government agencies to bring in Ease of Doing Business.
- 95 per cent of the forfeited amount relating to bid or performance security, will be returned to MSME's by government and government undertakings in cases the MSME's failed to execute contracts during Covid period.
- Result Based Financing to better allocate scarce resources for competing development needs.
- Phase-3 of the E-Courts project to be launched with an outlay of Rs. 7,000 crore for efficient administration of justice.
- R & D grant for Lab Grown Diamonds (LGD) sector to encourage indigenous production of LGD seeds and machines and to reduce import dependency.
- Annual production of 5 MMT under Green Hydrogen Mission to be targeted by 2030 to facilitate transition of the economy to low carbon intensity and to reduce dependence on fossil fuel imports.
- ₹35000 crore outlay for energy security, energy transition and net zero objectives.
- Battery energy storage systems to be promoted to steer the economy on the sustainable development path.
- 20,700 crore outlay provided for renewable energy grid integration and evacuation from Ladakh.



- “PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth” (PM-PRANAM) to be launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers.
- ‘Mangrove Initiative for Shoreline Habitats & Tangible Incomes’, MISHTI, to be taken up for mangrove plantation along the coastline and on salt pan lands, through convergence between MGNREGS, CAMPA Fund and other sources.
- Green Credit Programme to be notified under the Environment (Protection) Act to incentivize and mobilize additional resources for environmentally sustainable and responsive actions.
- Amrit Dharohar scheme to be implemented over the next three years to encourage optimal use of wetlands, enhance bio-diversity, carbon stock, eco-tourism opportunities and income generation for local communities.
- A unified Skill India Digital platform to be launched for enabling demand-based formal skilling, linking with employers including MSMEs, and facilitating access to entrepreneurship schemes.
- Direct Benefit Transfer under a pan-India National Apprenticeship Promotion Scheme to be rolled out to provide stipend support to 47 lakh youth in three years.
- At least 50 tourist destinations to be selected through challenge mode; to be developed as a complete package for domestic and foreign tourists.
- Sector specific skilling and entrepreneurship development to be dovetailed to achieve the objectives of the ‘Dekho Apna Desh’ initiative.
- Tourism infrastructure and amenities to be facilitated in border villages through the Vibrant Villages Programme.
- States to be encouraged to set up a Unity Mall for promotion and sale of their own and also all others states’ ODOPs (One District, One Product), GI products and handicrafts.
- National Financial Information Registry to be set up to serve as the central repository of financial and ancillary information for facilitating efficient flow of credit, promoting financial inclusion, and fostering financial stability. A new legislative framework to be designed in consultation with RBI to govern this credit public infrastructure.
- To commemorate Azadi Ka Amrit Mahotsav, a one-time new small savings scheme, Mahila Samman Savings Certificate to be launched. It will offer deposit facility upto Rs 2 lakh in the name of women or girls for tenure of 2 years (up to March 2025) at fixed interest rate of 7.5 per cent with partial withdrawal option.
- The maximum deposit limit for Monthly Income Account Scheme to be enhanced from Rs 4.5 lakh to Rs 9 lakh for single account and from Rs 9 lakh to Rs 15 lakh for joint account.
- The entire fifty-year interest free loan to states to be spent on capital expenditure within 2023-24. Part of the loan is conditional on States increasing actual Capital expenditure and parts of outlay will be linked to States undertaking specific loans.
- Fiscal Deficit of 3.5% of GSDP allowed for States of which 0.5% is tied to Power sector reforms.

Part – B

• Direct Taxes

- Direct Tax proposals aim to maintain continuity and stability of taxation, further simplify and rationalise various provisions to reduce the compliance burden, promote the entrepreneurial spirit and provide tax relief to citizens.



- Constant endeavour of the Income Tax Department to improve Tax Payers Services by making compliance easy and smooth
- To further improve tax payer services, proposal to roll out a next-generation Common IT Return Form for tax payer convenience, along with plans to strengthen the grievance redressal mechanism.
- Rebate limit of Personal Income Tax to be increased to Rs. 7 lakh from the current Rs. 5 lakh in the new tax regime. Thus, persons in the new tax regime, with income up to Rs. 7 lakh to not pay any tax.
- Tax structure in new personal income tax regime, introduced in 2020 with six income slabs, to change by reducing the number of slabs to five and increasing the tax exemption limit to Rs. 3 lakh. Change to provide major relief to all tax payers in the new regime.

New tax rates

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

- Proposal to extend the benefit of standard deduction of Rs. 50,000 to salaried individual, and deduction from family pension up to Rs. 15,000, in the new tax regime.
 - Highest surcharge rate to reduce from 37 per cent to 25 per cent in the new tax regime. This to further result in reduction of the maximum personal income tax rate to 39 per cent.
 - The limit for tax exemption on leave encashment on retirement of non-government salaried employees to increase to Rs. 25 lakh.
 - The new income tax regime to be made the default tax regime. However, citizens will continue to have the option to avail the benefit of the old tax regime.
- Indirect Taxes**
- Number of basic customs duty rates on goods, other than textiles and agriculture, reduced to 13 from 21.
 - Minor changes in the basic custom duties, cesses and surcharges on some items including toys, bicycles, automobiles and naphtha.
 - Excise duty exempted on GST-paid compressed bio gas contained in blended compressed natural gas.
 - Customs Duty on specified capital goods/machinery for manufacture of lithium-ion cell for use in battery of electrically operated vehicle (EVs) extended to 31.03.2024
 - Customs duty exempted on vehicles, specified automobile parts/components, sub-systems and tyres when imported by notified testing agencies, for the purpose of testing and/ or certification, subject to conditions.
 - Customs duty on camera lens and its inputs/parts for use in manufacture of camera module of cellular mobile phone reduced to zero and concessional duty on lithium-ion cells for batteries extended for another year.



- Basic customs duty reduced on parts of open cells of TV panels to 2.5 per cent.
 - Basic customs duty on electric kitchen chimney increased to 15 per cent from 7.5 per cent.
 - Basic customs duty on heat coil for manufacture of electric kitchen chimneys reduced to 15 per cent from 20 per cent.
 - Denatured ethyl alcohol used in chemical industry exempted from basic customs duty.
 - Basic customs duty reduced on acid grade fluorspar (containing by weight more than 97 per cent of calcium fluoride) to 2.5 per cent from 5 per cent.
 - National Calamity Contingent Duty (NCCD) on specified cigarettes revised upwards by about 16 per cent.
- **Legislative Changes in Customs Laws**
 - Customs Act, 1962 to be amended to specify a time limit of nine months from date of filing application for passing final order by Settlement Commission.
 - Customs Tariff Act to be amended to clarify the intent and scope of provisions relating to Anti-Dumping Duty (ADD), Countervailing Duty (CVD), and Safeguard Measures.
 - CGST Act to be amended
 - to raise the minimum threshold of tax amount for launching prosecution under GST from one crore to two crore;
 - to reduce the compounding amount from the present range of 50 to 150 per cent of tax amount to the range of 25 to 100 per cent;
 - decriminalise certain offences; o to restrict filing of returns/statements to a maximum period of three years from the due date of filing of the relevant return/statement; and
 - to enable unregistered suppliers and composition taxpayers to make intra-state supply of goods through E-Commerce Operators (ECOs).

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