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Union Budget

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The full time budget for the financial year 2024-25 has been submitted by the union finance minister Nirmala Sitaraman in the parliament.

This the seventh consecutive budget presentation by Ms. Nirmala Sitaraman as finance minister and the first full time Union budget after the 18th lok sabha elections.

Article 112(part v):

President of India to present the annual financial statement for each financial year before both houses of the parliament.

The term budget is not mentioned anywhere in the constitution of India.

Nodal body for the preparation of budget: Budget division (**department of Economic affairs, ministry of finance**) in consultation with NITI Aayog and concerned ministries.

The first budget of independent India was presented in 1947

Till 2017 The Gov of India had two budgets- Railway Budget and General Budget.

Major components of budget:

Estimates of revenue and capital receipts.

Ways and means to raise the revenue.

Estimates of expenditure.

Actual receipts/expenditure of the closing financial year.

Economic/financial policy of the upcoming financial year.

Stages of budget enactment:

1 Presentation.

2 General discussion.

3 Scrutiny by departmental committees.

4 Voting on demand for grants.

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5 Passing of appropriation bill.

6 Passing of finance bill.

Key highlights of the budget:

Budget Theme:

The Union Budget 2024-25 emphasises

Employment,

Skilling,

Support for MSMEs, and the

Middle class.

A significant allocation of Rs 1.48 lakh crore is earmarked for education, employment, and skilling.

Bihar gets rs 58000 cr for **road, power** (a 2,400-MW power plant will be set up in Pirpainti) and **flood** control projects.

Andra Pradesh to get rs 15000 cr for capital **Amaravati** and **Polavaram** irrigation project.

Budget Priorities:

The budget prioritizes **nine areas** including

1 Agriculture,

2 Employment,

3 Human resource development,

4 Manufacturing, services,

5 Urban development,

6 Energy security,

7 Infrastructure,

8 Innovation, Research & development, and

9 Next-generation reforms.

Productivity and Resilience in Agriculture:

Measures include releasing new **109 high-yielding crop varieties**, promoting natural farming among 1 crore farmers, establishing **10,000 need-based bio-input bio-input centres**, and enhancing production, storage, and marketing of pulses and oilseeds (achieve **'atmanirbharta' for oil seeds**).

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A provision of **Rs 1.52 lakh crore** has been announced for agriculture and allied sectors this year.

Government along with the states, will facilitate the implementation of the **Digital Public Infrastructure (DPI) in agriculture** for coverage of farmers and their lands in 3 years.

Employment & Skilling:

The budget introduces schemes like **Employment Linked Incentive and initiatives** to boost skilling with a focus on skilling 20 lakh youth over a 5-year period and upgrading 1,000 Industrial Training Institutes

Financial support for higher education and loans for skilling are also announced.

The **Model Skill Loan Scheme** will be revised to facilitate loans up to Rs 7.5 lakh with a guarantee from a government promoted fund, which is expected to help 25,000 students every year.

Inclusive Human Resource Development and Social Justice:

Enhanced support for economic activities among marginalised groups, including tribal communities and women entrepreneurs, is emphasized

The government's **Purvodaya** initiative aims to comprehensively develop the eastern region of India- including Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh, focusing on human resource development, infrastructure enhancement, and economic growth to advance towards a developed nation.

The Finance Minister announced the launch of the **Pradhan Mantri Janjatiya Unnat Gram Abhiyan** to enhance the **socio-economic conditions of tribal communities**, covering 63,000 villages in tribal-majority areas and aspirational districts, benefiting approximately 5 crore tribal people.

Over **100 branches of India Post Payment Bank** will be established in the North East region to enhance banking services, alongside a provision of **Rs 2.66 lakh crore allocated for rural development** and infrastructure this year.

Manufacturing & Services:

The budget emphasises support for MSMEs, focusing on labour-intensive manufacturing, with a new self-financing guarantee fund offering up to Rs 100 crore per applicant

Public sector banks will enhance their internal assessment capabilities for MSME credit. Additionally, Mudra loan limits will increase to Rs 20 lakh for previous 'Tarun' category borrowers

The budget also includes initiatives like setting up 50 food irradiation units, establishing 100 food quality labs, and creating E-Commerce Export Hubs

Furthermore, a scheme for internships in 500 top companies aims to benefit 1 crore youth over 5 years.

Urban Development:

PM Awas Yojana Urban 2.0, has been allocated **Rs 10 lakh crore** to address housing needs of **1 crore urban poor and middle-class families**, with Rs 2.2 lakh crore in central assistance over 5 years

The government will also collaborate with State Governments and Multilateral Development Banks to promote water supply, sewage treatment, and solid waste management in 100 large cities through bankable projects

Additionally, building on the success of **PM SVANidhi**, the government plans to establish **100 weekly street food hubs (haats)** annually over the next five years.

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Energy Security:

PM Surya Ghar Muft Bijli Yojana aims to install rooftop solar plants for free electricity to **1 crore households** (up to 300 units every month)

Nuclear energy is highlighted as a significant part of India's energy mix.

Infrastructure:

Government will try to maintain strong fiscal support for infrastructure over the next 5 years on this line **Rs 11,11,111 crore** for capital expenditure has been allocated this year, which is **3.4% of our GDP**.

Phase IV of **Pradhan Mantri Gram Sadak Yojana (PMGSY)** to connect 25,000 rural habitations with all-weather roads due to population growth has been announced

For Bihar, under the Accelerated Irrigation Benefit Programme and other sources, the government will allocate **Rs 11,500 crore** for projects like **the Kosi-Mechi intra-state link** and 20 other schemes including barrages, river pollution abatement, and irrigation

Additionally, financial assistance will be provided to Assam, Himachal Pradesh, Uttarakhand, and Sikkim for flood management, landslides, and related projects.

Innovation, Research & Development:

The government will establish the **Anusandhan National Research** Fund to support basic research and prototype development, allocating **Rs 1 lakh crore** to spur private sector-driven research and innovation at a commercial scale

To expand the **space economy** fivefold in the next decade, a **venture capital fund** of **Rs 1,000 crore** will be established.

Next Generation Reforms:

Plans for an Economic Policy Framework, labour reforms, and simplification of FDI regulations are outlined to spur economic growth.

Jan Vishwas Bill 2.0 to improve Ease of Doing Business will be introduced by the government.

The budget focus on **4 main targets** being

Women

Farmer

Poor

Youth

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Budget Estimates 2024-25

- For the year 2024-25, the total receipts other than borrowings and the total expenditure are estimated at **Rs 32.07 lakh crore** and **Rs 48.21 lakh crore** respectively.
- The **net tax receipts** are estimated at **Rs 25.83 lakh crore** and the **fiscal deficit** is estimated at **4.9%** of GDP. Also, the government will aim to reach a deficit below **4.5%** of GDP.
- The **gross and net market borrowings** through **dated securities** during 2024-25 are estimated at **Rs 14.01 lakh crore** and **Rs 11.63 lakh crore** respectively.
- Budget speech highlighted India's low and stable inflation moving towards 4% with specific measures to ensure adequate supply of perishable goods.

| Interim Budget | Union Budget |
|--|---|
| Presented when the government's term is ending or there is a transition in power. | Presented annually, usually at the beginning of the financial year. |
| This is meant for the smooth functioning of the government until a new government presents a full budget. | A comprehensive budget outlining the reigning government's financial plans for the entire fiscal year. |
| Typically avoids major policy announcements or new schemes. Focuses on essential expenses. | Includes new policy initiatives, announcements, and changes in taxation and expenditure. |
| Generally limited to the expenditure required to run the government until the new government presents a full budget. | Covers all expenditures planned for the entire fiscal year, including developmental projects and ongoing schemes. |
| Usually gets parliamentary approval for a few months or until the full budget is presented by the new government. | Requires parliamentary approval for the entire fiscal year. |
| Based on estimates for the upcoming financial year. | Covers the entire financial year, starting from April 1 to March 31. |
| Presented by the outgoing government. | Presented by the ruling government of the day. |