

INDIA BUDGET 2023

(Financial Year 2023-2024)

|| BUDGET ANALYSIS PRESENTATION ||

"Seven Priorities' to usher country towards 'Amrit Kaal'."

Heightened focus on usage of AI, emerging tech, social entrepreneurship, enhanced **R&D** efforts coupled with more youth power shall see the country route marching to inclusive growth and prosperity, stamping this decade as India's decade."

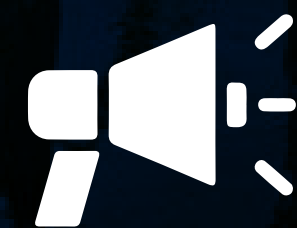
Heading towards \$5 Trillion economy the foundations laid by Union Budget 2023-24 are solid, well-rounded inclusive and focused on high capex coupled green growth.



**FY -2023-24
FINANCIAL**



**KEY
NUMBERS**



**ANNOUNCEMENTS
& IMPLICATIONS**



Introduction

Introduction to Budget 2023-24

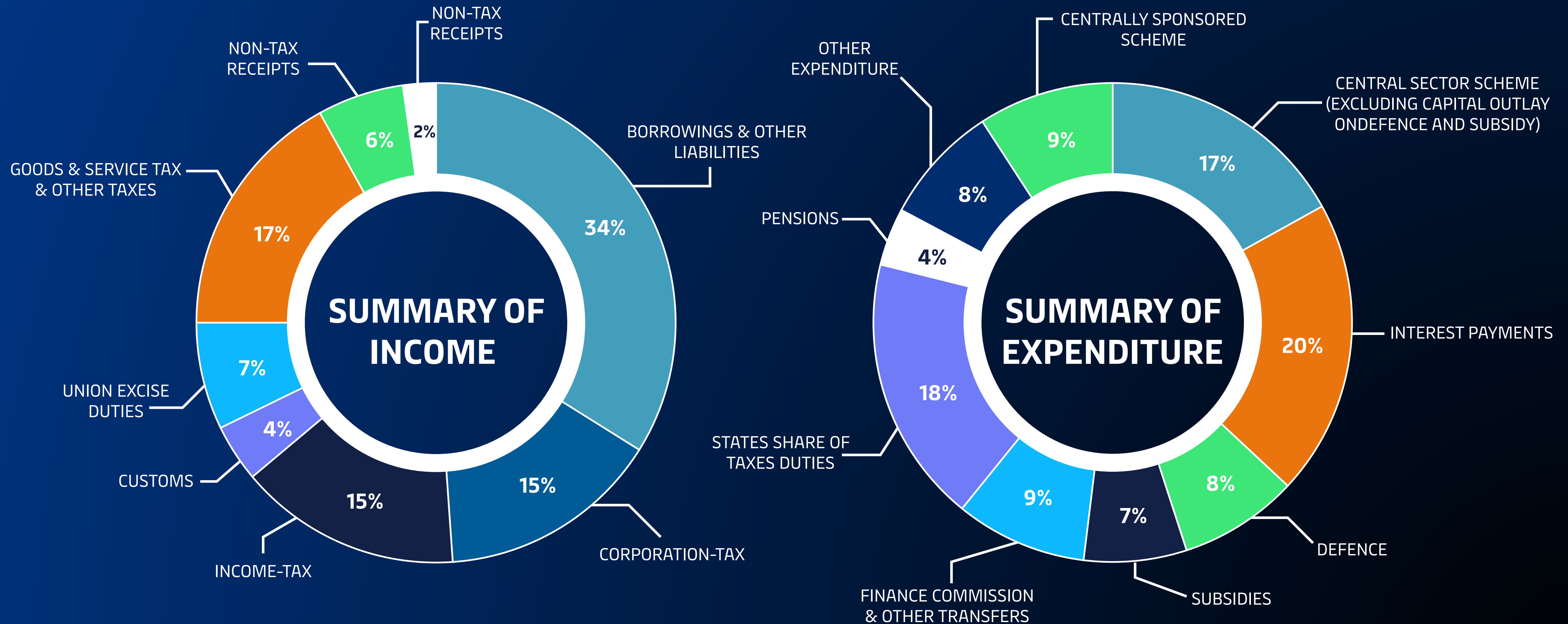
India, in today's context is identified by strong foundation w.r.t its economy. Although, the pandemic marred the growth rate of Indian economy and is yet to return to the pre-pandemic levels but still have shown resilience to garner positive business sentiments. The Union Budget 2023-24 thus seeks to build upon the earlier laid foundation, and focuses upon to provide stability and continuity, improve ease of doing business thereby augmenting value for domestic business. The ₹10 Lakh Crores of capital investment outlay is destined to trigger virtuous cycle which will have cascade of multiplier effect on economy for growth. Of this outlay railways and roadways which are backbone of logistics sector have got an overwhelming ₹5 Lakh crores with focus upon last mile connectivity and priority sectors reach. An ₹75,000 crore outlay for critical transport has been allocated as part of the first and last mile connectivity. Priority will also be given to coastal shipping for energy efficient transportation, which will lower logistics costs for producers and aid Make in India initiative as well. Impetus on clean energy in the budget was evident, with an ₹ 35,000 crore outlay provided for energy transition. There is also a target to achieve green hydrogen production of 5 MMT by 2030. The National Green Hydrogen Mission, having an outlay of ₹19,700 crore is expected to drive a low carbon economy which is in line with long-term goal of government and secure sustainable growth across multiple sectors.



Financial Snapshots

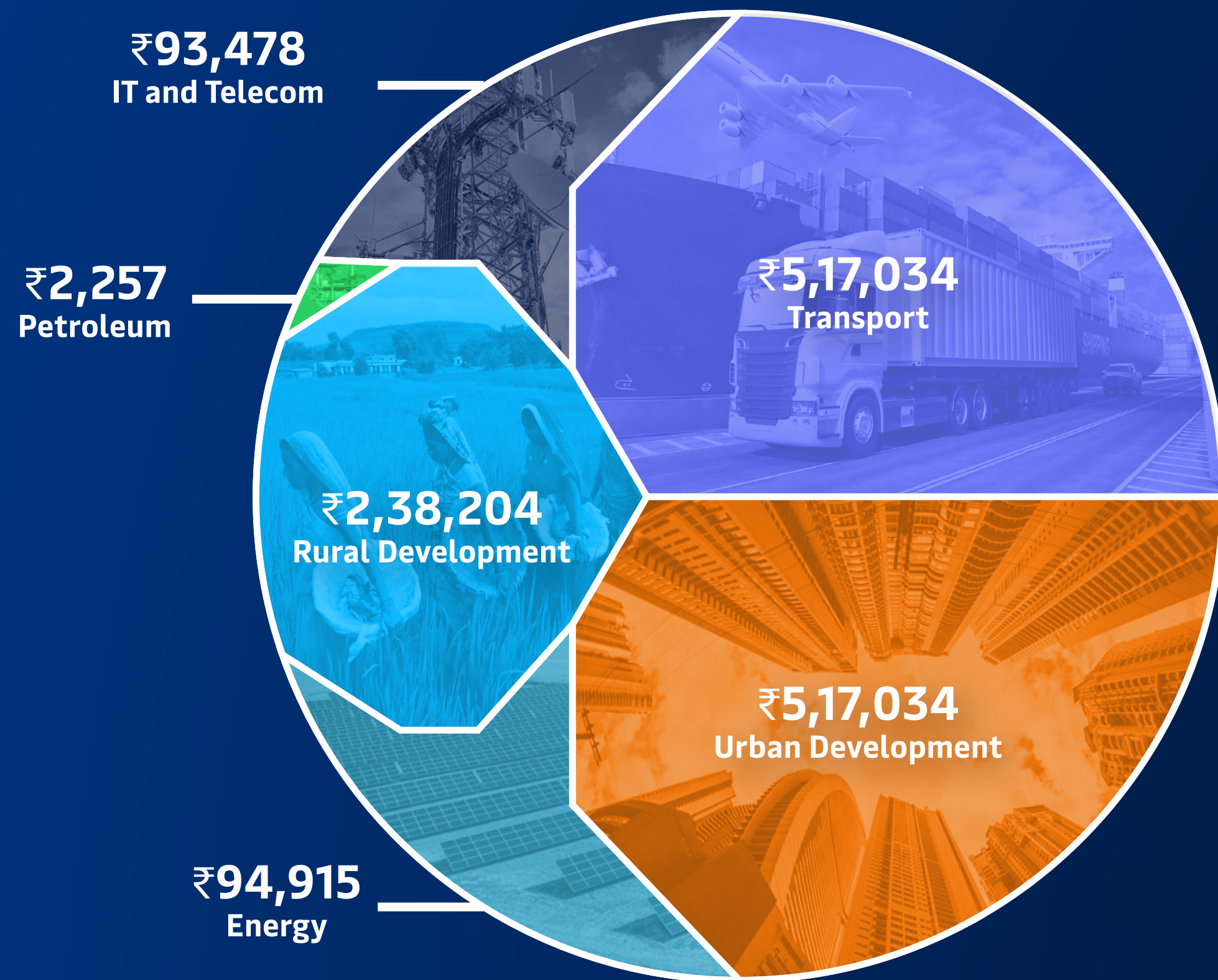
	2021-22 Actuals (In ₹ Crores)	2022-23 (Budget Estimates) (In ₹ Crores)	2022-23 (Revised Estimates) (In ₹ Crores)	2023-24 (Budget Estimates) (In ₹ Crores)
Revenue Receipts	21,69,905	22,04,422	23,48,413	26,32,281
Capital Receipts	16,23,896	17,40,487	18,38,819	1,870,816
Total Revenue Receipts	37,93,801	39,44,909	41,87,232	45,03,097
Total Expenditure	37,93,801	39,44,909	41,87,232	45,03,097
Effective Revenue Deficit	7,88,375	6,72,598	7,84,958	4,99,867
Revenue Deficit	10,31,021	9,90,241	11,10,546	8,69,855
Fiscal Deficit	15,84,521	16,61,196	17,55,319	17,86,816
Primary Deficit	7,79,022	7,20,545	8,14,668	7,06,845

Summary of Expenditure & Income

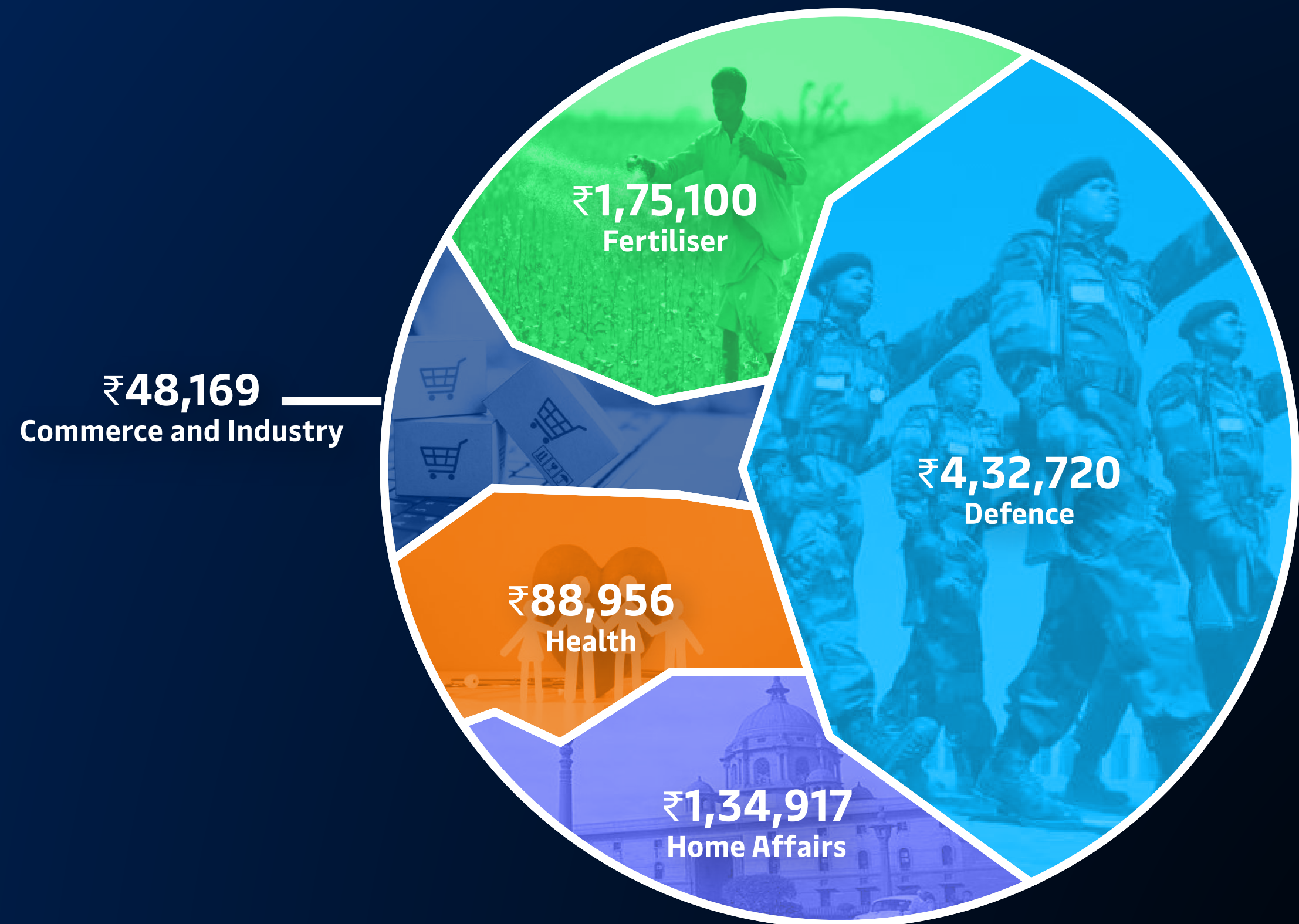


Key Numbers

Budget Estimates for 2023 -2024 in INR Crores for Key Energy & Infrastructure Ministries

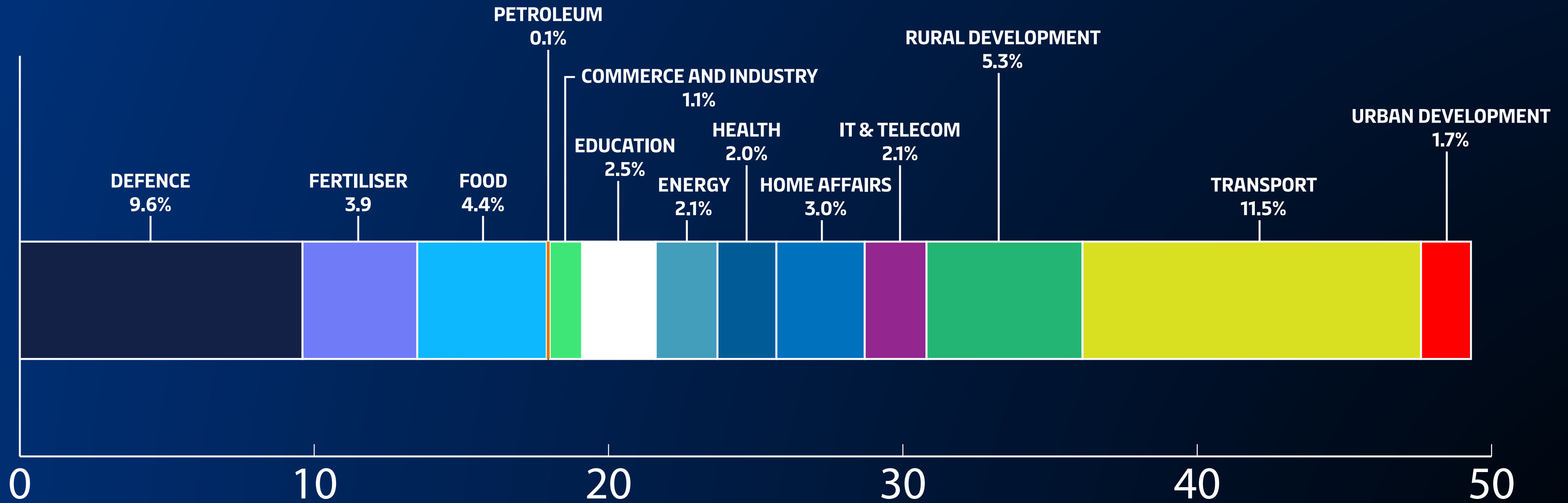


Budget Estimates for 2023 -2024 in INR Crores for Key Industrial Ministries



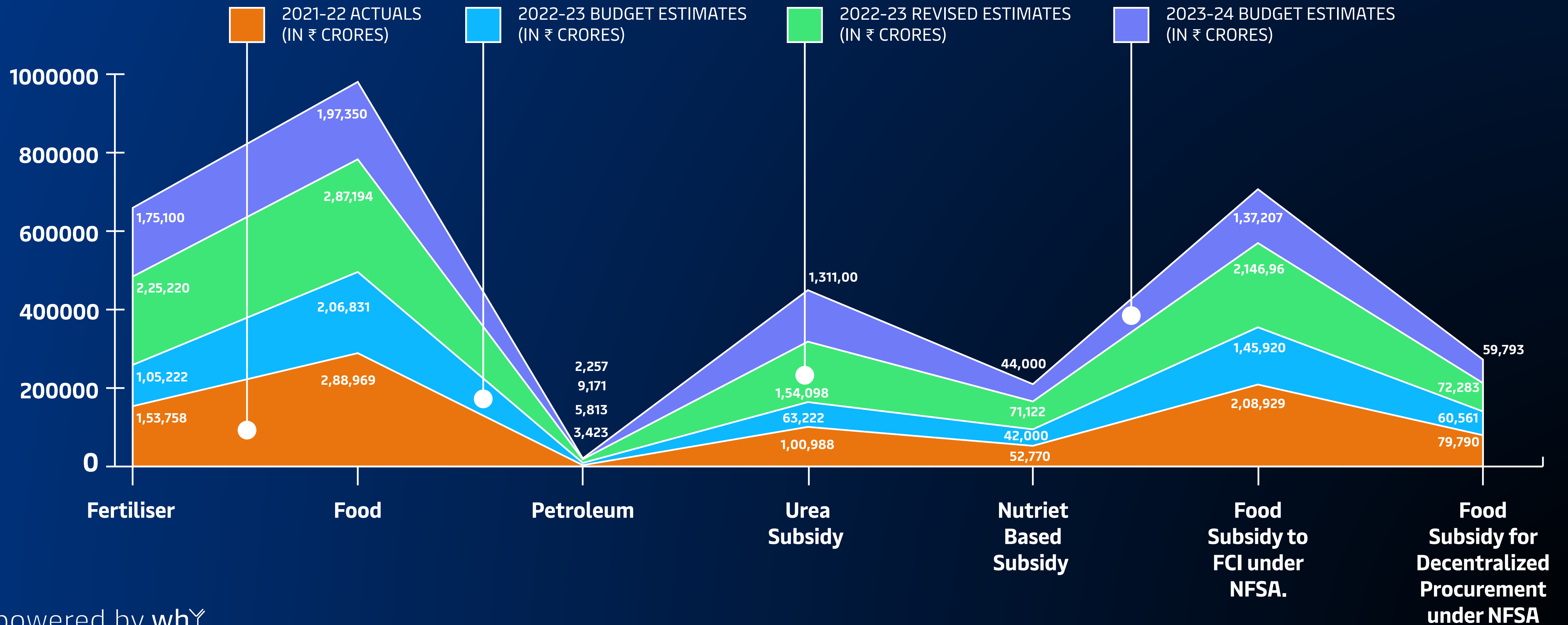
Key Numbers

Percentage share of key ministries in the budget expenditure for 2023 -2024



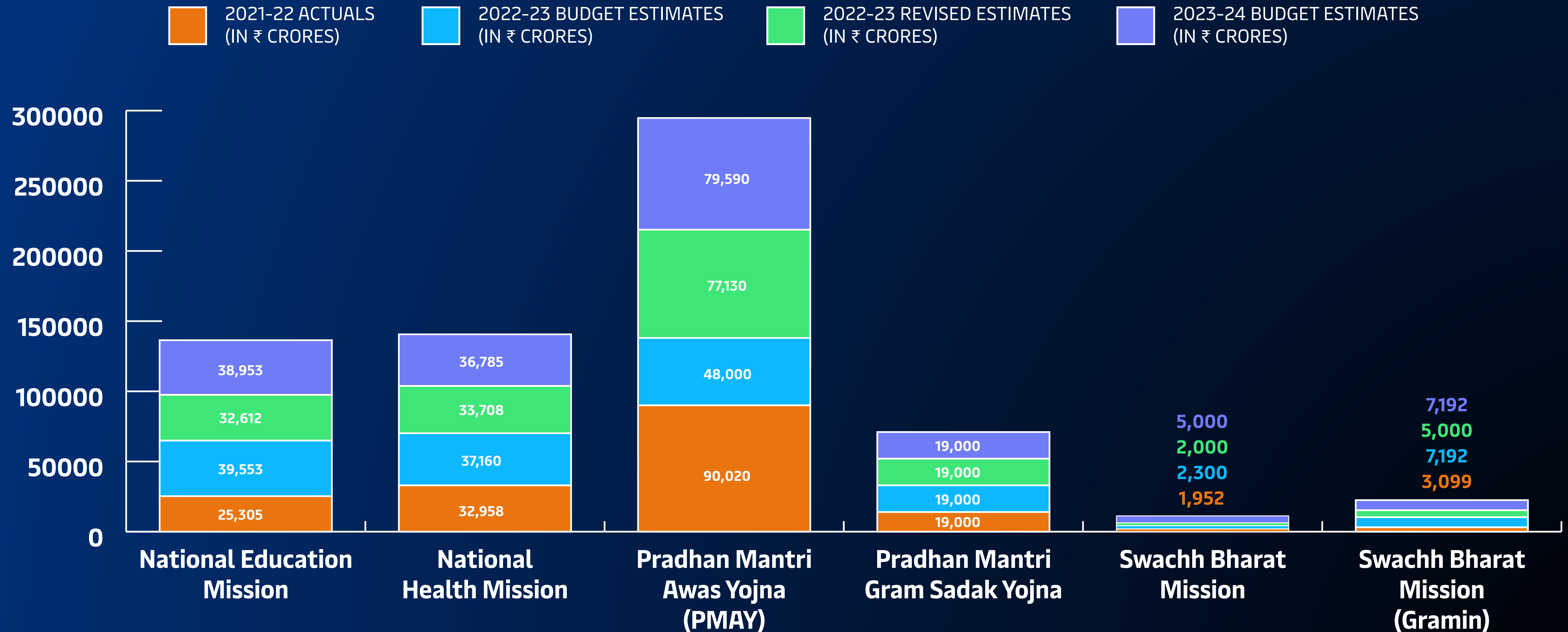
Key Numbers

Subsidy (In INR Crores) offered by the GoI to key sectors



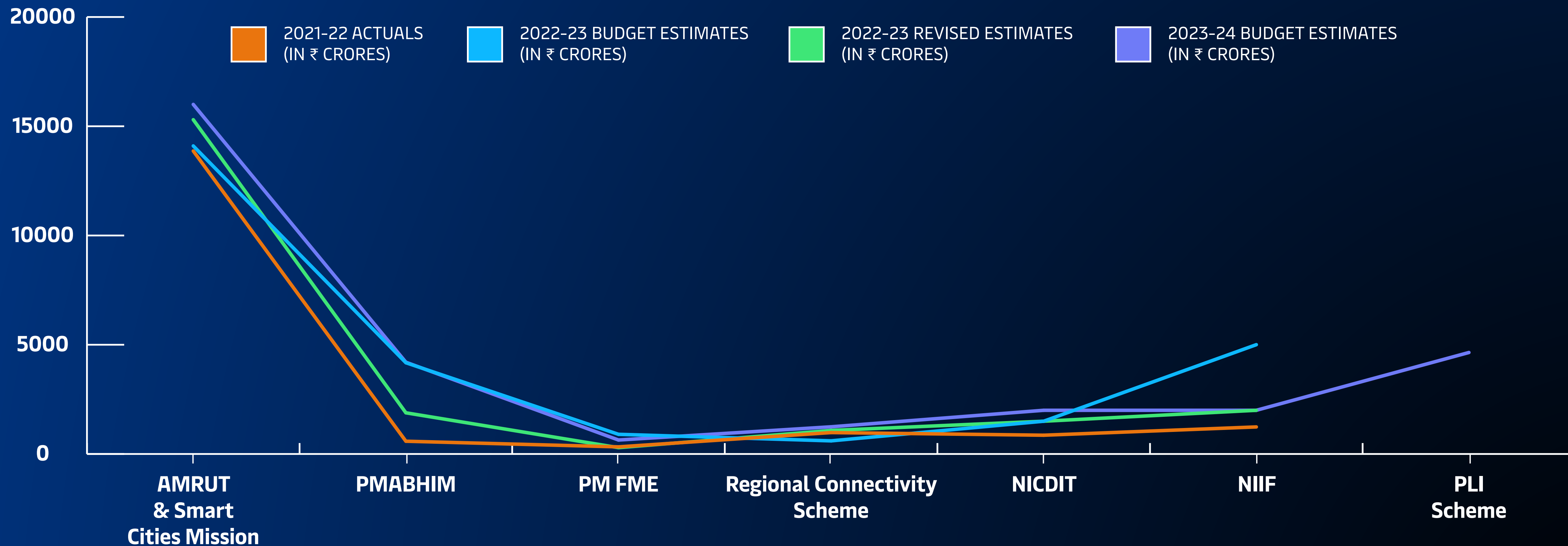
Key Numbers

Outlay (In INR Crores) on Major Schemes on Social Sector Development

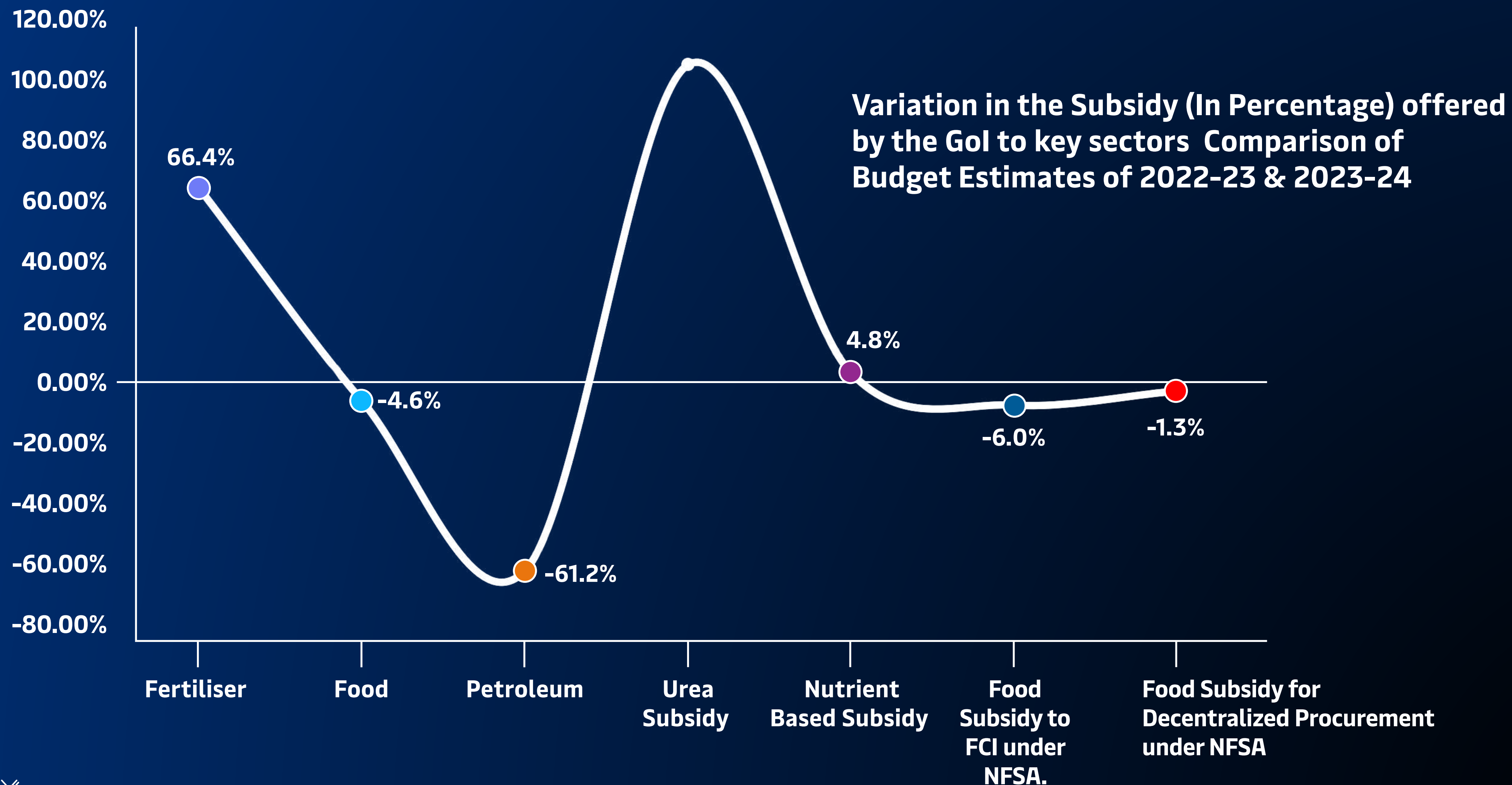


Key Numbers

Outlay (In INR Crores) on Major Schemes on Industry and Infrastructure Development



Key Numbers



Implications



Agriculture
(Impact : Positive +)



Transport Infrastructure
(Impact : Positive +)



Urban Infrastructure
(Impact : Positive +)



Green Mobility
(Impact : Positive +)



ESG
(Impact : Marginally Positive)



Mobile Manufacturing
(Impact : Positive +)

Implications



Healthcare
(Impact : Positive)



Renewable Energy
(Impact : Positive +)



Data & Analytics
(Impact : Positive +)



Oil & Gas
(Impact : Marginally Positive)



Real Estate
(Impact : Marginally Positive)

RATINGS	
Positive Plus	Predominantly Positive Proposals
Positive	Positive Proposals
Marginally Positive	Positive Proposals but lacks industry expectations at large



Agriculture

For agri sector the budget provides for a forward looking vision . Key enablers like accelerator funds for agri startups, higher rate of credit allocation, transforming India into a global Millet hub coupled with digital and functional embellishments to have a long lasting impact on the sector. Further, a National Level Agri Stack shall be build as a public good to arm effective decision making with farm advisory are very positive steps for the sector.

Highlights

Credit Target - ₹20 Lakh Crores

Upper Bhadra Project - ₹5,300 Crores

PM Matsya Sampda Yojana - ₹6,000 Crores

Atamnirbhar Horticulture - ₹2,200 Crores

Precision farming to get boost - 5G labs to be set up

Impact : Positive +



Transport Infrastructure

The enhanced capital outlay of INR 10 Lakh Crore would mean that rail and roadways infrastructure development will end up as the biggest beneficiary. Around 50% of this outlay will be directed towards the rail & roadways infrastructure development. Road development alone will consume around INR 2.6 Lakh Crore of the allocated budget of which INR 1.6 Lakh Crore will be directed to NHAI. Further, to ensure the last mile connectivity and enhanced regional airport infrastructure around the country additional 50 airports, heliports, water aerodromes etc. shall be added which will be a boom to already growing aviation sector.

Highlights

Capex - ₹10 Lakh Crores

PPP in Coastal Shipping to be promoted

Roads Development Budget - ₹2.60 Lakh Crores

Railways Budget - ₹2.40 Lakh Crores

NHAI Budget - ₹1.60 Lakh Crores

Regional Airport Infra Boost - 50 Additional airports, heliports, water aerodromes etc. to be set up

Impact : Positive +



Urban Infrastructure

The urban area in India leads to 60% of GDP contributions however, when compared with global benchmarks it lags behind in terms of adequate infrastructure specially which should be transit oriented. A dedicated outlay of INR 23,000 Crore towards urban transport infrastructure will certainly thrust the development of cities for tomorrow. Further, the development oriented towards Tier 2 & Tier 3 cities is a positive move as majority of the country's population by 2050 is expected to reside in these. Also, the cities and mobility will get an additional push at the state level with the addition of one more year in 50 year interest free loan.

Highlights

Dedicated Outlay - ₹23,000 Crores

Focus upon Tier II & III Cities for Urban Infra Development

Cities & Mobility will get additional push at the State level with one more year assition in 50 year interest free loan

From manhole to machinehole cleaning - Major boost to improve city infra

Impact : Positive +



Green Mobility

The vehicle scrapping policy as announced in the budget is a mega positive for Automotive sector. The outlay of INR 19,700 Crore towards green hydrogen mission will see the advent of Hydrogen being absorbed as a clean fuel alternative in mobility specially 4 Wheeler passenger segment. Further, push to compressed biogas and setting up of dedicated infrastructure for same in the cities shall mean another transport fuel alternative on the blocks which could signal enhanced business opportunities for OMCs and gas distribution players at the same time with the presence of hydrogen and CBG in the mobility fuel mix the e-mobility OEMs will have to adapt to a resilient technology in order to compete and sustain.

Highlights

Promotion of Make in India - Non-crediatble custom duty hiked from 33% to 35%

Emphasis on Green Hydrogen in mobility mix of country

Green Hydrogen Mission Outlay - ₹19,700 Crore

Compressed Bio-Gas (CBG) Projects Investment - ₹10,000 Crore"

Impact : Marginally Positive



ESG

For a country like India it is imperative to focus upon green alternatives which are environment friendly and sustainable under long range. Therefore, green fuel, green energy, green farming and green mobility, green building equipment will see more impetus and shall be interconnected with various economic sectors. It will help reducing carbon intensity and footprints of the country and enable larger producer enterprises who will end up prioritising healthy climate resilient and sustainable products signally inclusive growth for all.

Highlights

Outlay for Core Energy Transition - ₹35,000 Crores

Promotion of Hydrogen & CBG in mobility fuel mix

Impact : Marginally Positive



Mobile Manufacturing

100 labs for developing applications using 5G services to be set up in engineering institutions to realize a new range of opportunities, business models, and employment potential. BCD on camera lens for camera module and input/ parts for lens of camera module of mobile phone to be reduced from 2.5% to nil subject to IGCR. Turnover limit for availing benefit of presumptive taxation enhanced to ₹3 crores for MSMEs, provided that cash transactions do not exceed 5%

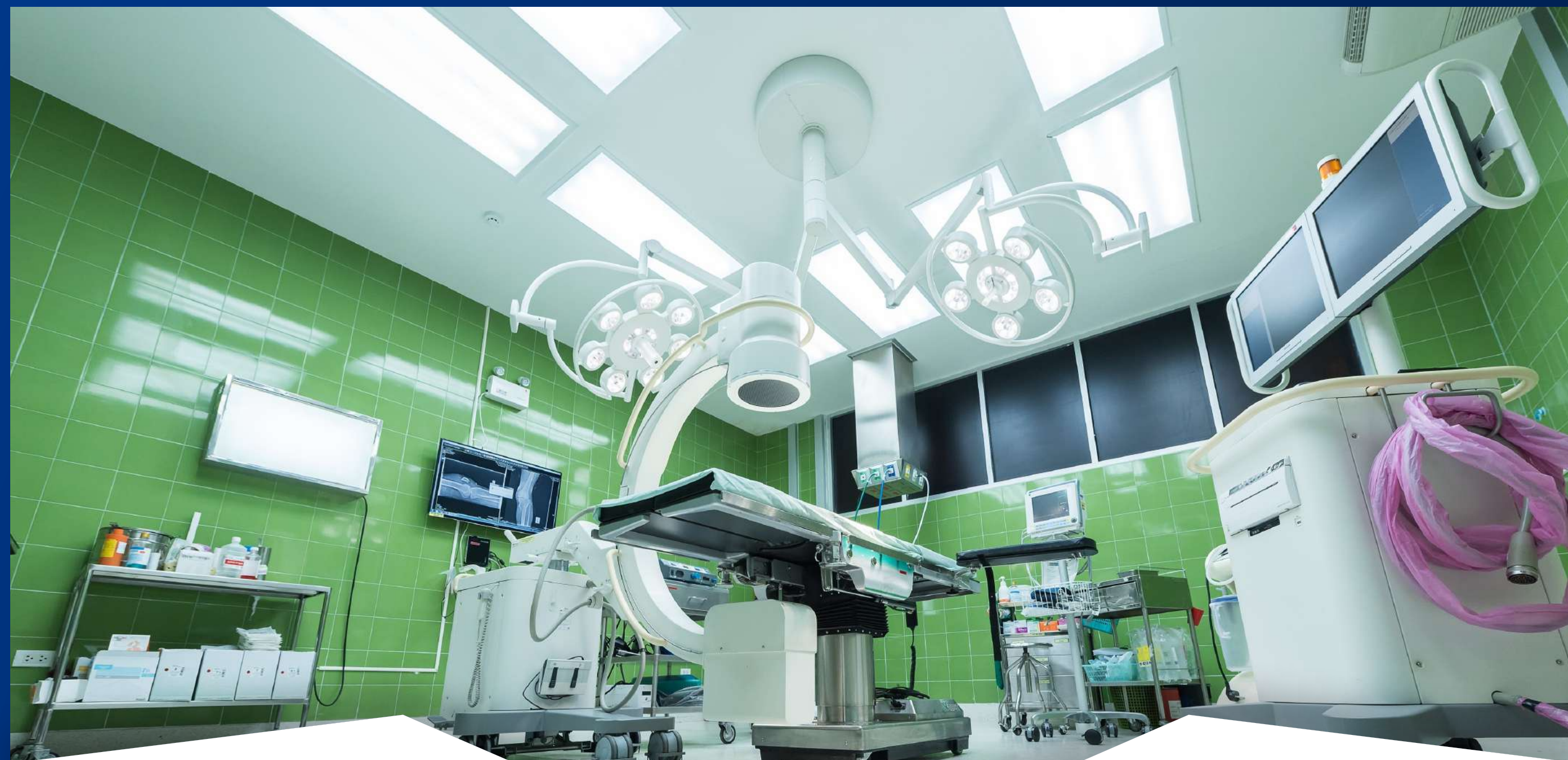
Highlights

100 labs for developing applications using 5G services

BCD on camera lens reduced to Nil from 2.5%

Extension of concessional duty for Lithium-ion cell for use in the manufacture of battery up to 31 March 2024

Impact : Positive +



Healthcare

Although with an increased outlay in healthcare the importance of healthcare in a post pandemic world is signified. However, the expenditure still needs to head northbound if India plans to achieve its universal healthcare goals. Collaboration with private players w.r.t. ICMR labs will enable better preparedness to handle future pandemics. The nursing colleges planned to be set up across the country will also augment the quality of health care delivery in the country

Highlights

Healthcare Sector Budget Allocation - 2.1% of GDP of India

Focus upon R&D in Pharma Sector

157 new nursing colleges

Private sector collaborations to set up more ICMR labs

Impact : Positive



Renewable Energy

The Green Hydrogen Mission Outlay along with 500 GW of renewable capacities to be added by 2030 would mean enhanced investments in the sector. For India to set up 5 MMT Green Hydrogen by 2030 a dedicated 125 GW of renewable capacity for the same shall be required. This means an overall development in terms of renewable projects aligned transmission evacuation infrastructure and increased end use consumption from RE sources.

Highlights

RE Capacity boost till 2030 - 500GW

VGF for 4,000MWH of BESS systems

Dedicated Power Transmission Corridor Investment for RE - ₹20,700 Crores

125 GW of dedicated RE plants for Green Hydrogen production by 2030

Impact : Positive +



Data & Analytics

Much needed impetus was given to data & analytics in this budget and a dedicated data governance policy which will lead the startups to be more focused on R&D and academia to enable innovation process turning them into filing of increased patents. This will boost the country's intent to be AI leader as anonymous datasets will be a key enabler for such technology development

Highlights

3 CoE for AI to be set up across country

Setting up of Digital Library

Entity based Digi Locker to be set up

Impact : Positive +



Oil & Gas

Budget reiterated the country's commitment towards energy transition and 2070 vision for net zero carbon emission. The rationalisation of BCD rates with exemption from the levy of Social Welfare Surcharge (SWS)/Agricultural Infrastructure Development Cess (AIDC) on specified goods to maintain total effective import duty will push the costs of raw materials and feed stocks

Highlights

Net Zero by 2070 Reiterated

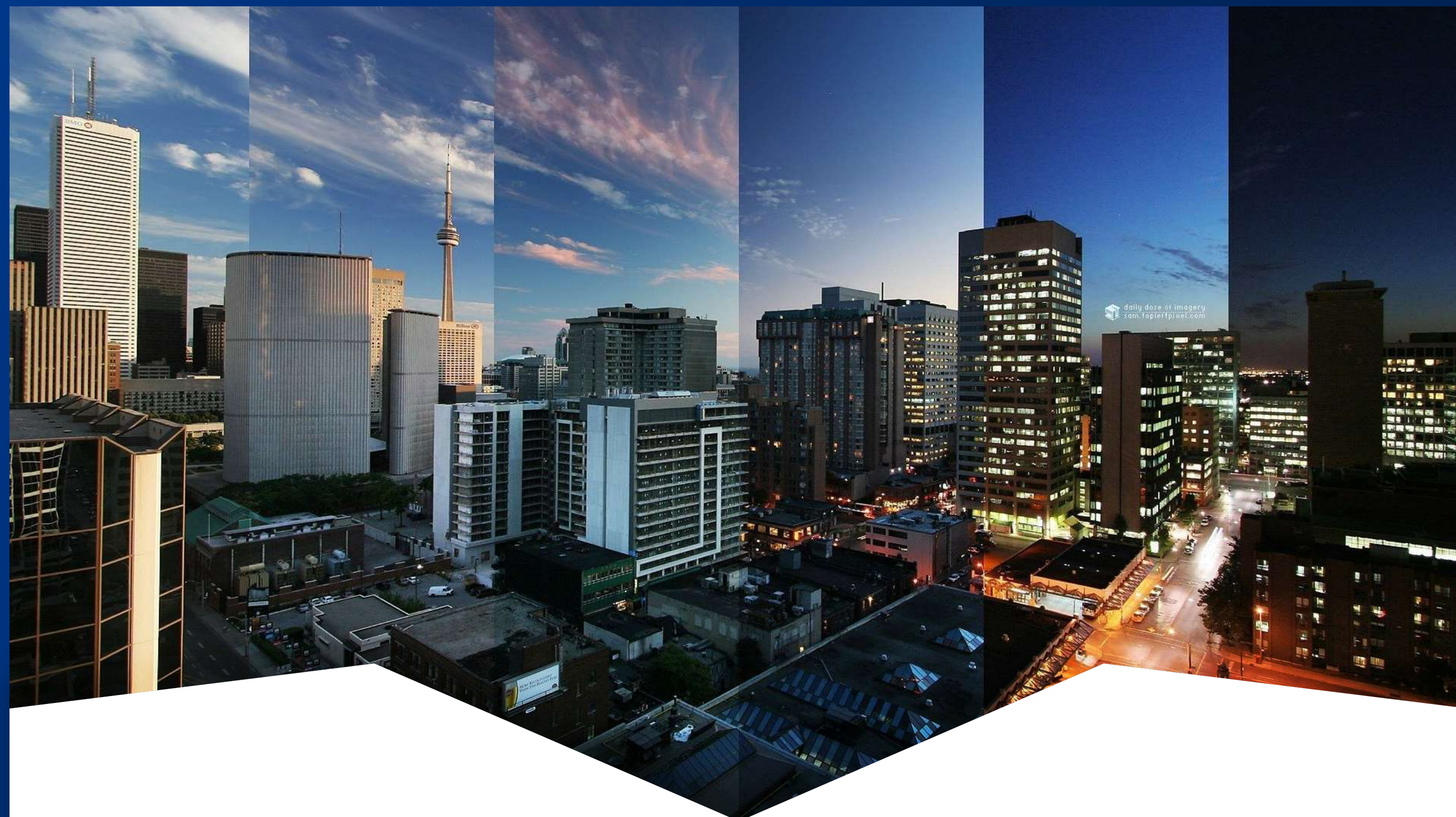
500 new Waste to wealth Biogas plant to be set up

Outlay for CBG Plants - ₹10,000 Crores

BCD on Naptha increased to 2.5% from 1%

₹35,000 Crore palnned investment for energy transition

Impact : Marginally Positive



Real Estate

The long-term capital gain exemption arising to individual/HUF on transfer of residential house or any other long-term capital asset, where the proceeds are reinvested in residential property, has been capped at ₹10 crores. Distributions by REIT that do not suffer taxation either in the hands of REIT or in the hands of unit holders, will now be taxed as other income in the hands of unit holders. Where such distribution is through redemption of units by REIT, then for the purpose of computation of income in the hands of unit holders, cost of acquisition will be allowed as deduction. Option to obtain NIL withholding certificate has been provided to the unit holders.

Highlights

Pradhan Mantri Awas Yojana Outlay - Increased by 66% to ₹79,000 Crores

Long-term capital gain exemption capped at ₹10 Crore from transfer residential house of individual/HUF

Impact : Marginally Positive



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